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Amtrak®

Routes & Services

SCHEDULES & FARES
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1998 ANNUAL REPORT

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CARITA VALLERY-LEYX



"... I purchased my ticket from an agent named Carita Vallery-Leyx. She was extremely courteous, obliging, pleasant, thoughtful, respectful, and attentive to my concerns."

A customer from San Francisco, CA, commends Carita Vallery-Leyx, Ticket Agent at the San Francisco Ferry Building.

ALBERT MASON



"... In Mr. Mason, we found the epitome of a car attendant. He was there almost before we found it necessary to call for him. His attention to detail and service was beyond reproach, and without a 'grumble' of any kind."

A passenger from Des Plaines, IL, commends Albert Mason, Sleeping Car Attendant on the Amtrak® Empire Builder.

"... The train ride was the last leg of a hectic business trip on cramped airplanes and smelly cabs, but it was when my trip became more like a vacation... a woman named Shari showed me to my comfortable seat, and made sure all the people in her car were happy travelers... As a small business owner, I know you are only as good as your employees... I would love to have people this good greeting my customers."

A business traveler from Sharon, MA, commends Shari Linsky, Club Car Attendant on the Amtrak® NortheastDirect® Service.

SHARI LINSKY





Leadership

Board of Directors

Front Row: George D. Warrington, Chairman Gov. Tommy G. Thompson, Vice Chairman The Hon. Michael S. Dukakis *Second Row:* DOT Deputy Sec. Mortimer L. Downey (for Sec. Rodney Slater), Amy M. Rosen, The Hon. Linwood Holton, Mayor John Robert Smith

Management Committee

Front Row: Gil Mallery, Barbara Richardson, Lee Bullock, Sandy Brown, Stan Bagley *Second Row:* Sarah Duggin, Rick Donnelly, Al Altschul, George Warrington, Anne Hoey, Lorraine Green, Ron Scolaro, Joe Bress
Not Pictured: Arlene Friner



President

Letter from the President

It was a tremendous year for Amtrak®, by any accounting. We had the greatest ridership increase in a decade—4.5 percent. We surpassed \$1 billion in passenger revenue for the first time in the company's history. Our Mail and Express business also set a record for revenue—\$83 million. Plus, on-time performance reached the highest level in 13 years—nearly 80 percent.

Our year began with a strong vote of confidence from Congress. Reauthorization of Amtrak included access to \$2.2 billion in federal capital investment funds. The subsequent capital investments have already shown returns for the company. With continued capital support for the railroad, we are sure to become operationally self-sufficient by the end of 2002.



As you'll see in this report, our success rests on a solid business strategy:

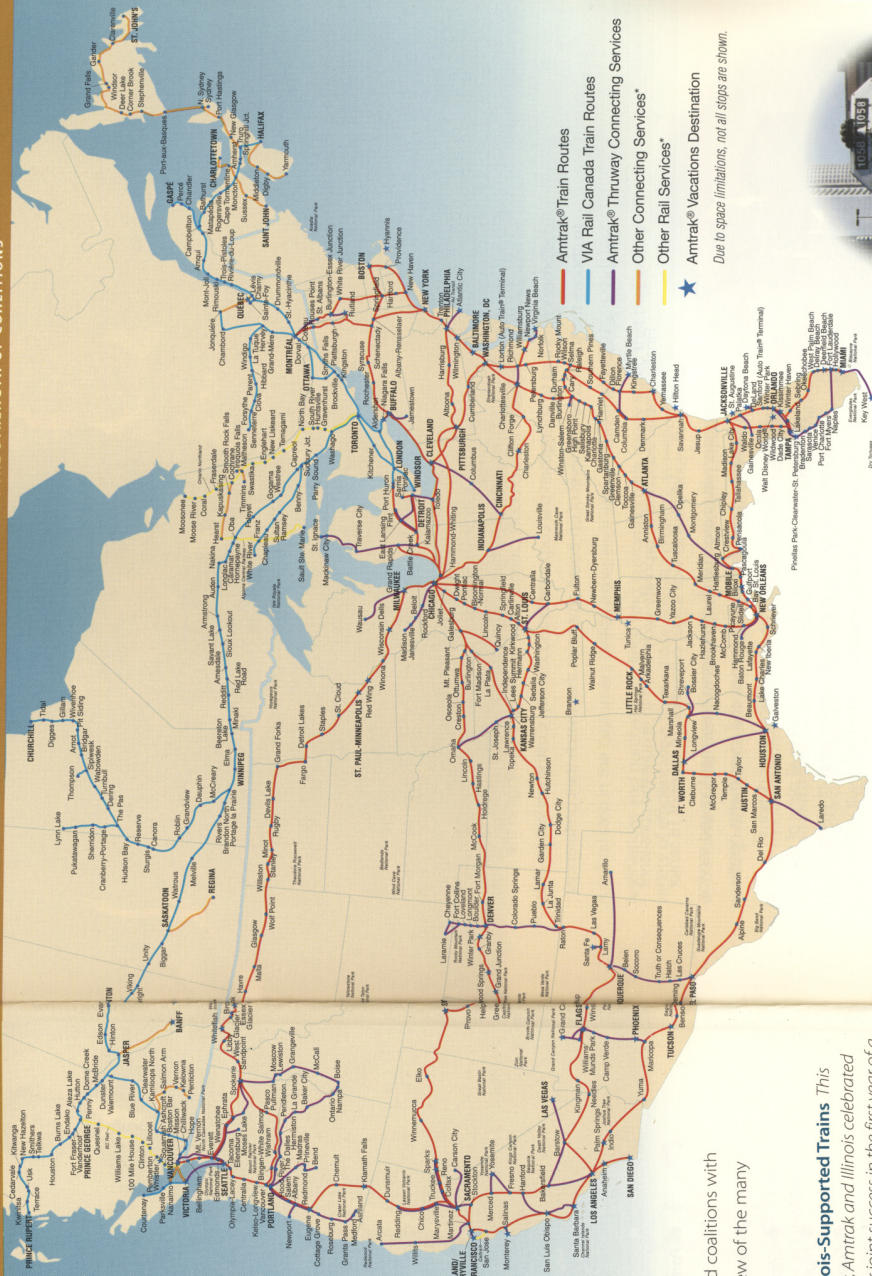
- *Partnerships – Preserving the national system through the strength of coalitions.*
- *Customer Service – Making the customer our first priority.*
- *People of Amtrak – Supporting and valuing employees, who make it all happen.*
- *Capital Investments – Building a proud product.*
- *High-Speed Rail – A new generation of rail service.*
- *Superior Performance – Performing like a business, with solid results.*

Being able to preside over such a momentous year for our company has been an honor for me. I know I speak for all Amtrak employees when I say we are working to provide an even better product for our customers. We're proud to be America's national passenger rail system.

Sincerely,

A large, stylized handwritten signature in brown ink, which appears to read "G. Warrington".

George D. Warrington
President and Chief Executive Officer



Amtrak® A National Rail System . . . the Power of Partnerships

The Amtrak® national passenger rail system:

- 21 million intercity passengers in 1998, carried five billion passenger miles
- More than 500 stations, serving 44 states
- 22,000 route miles, 730 miles owned by Amtrak
- 263 trains per day
- 345 locomotives, 1,962 passenger cars
- The largest operator of contract commuter services in the country, carrying 54 million commuter passengers in 1998

What unifies and strengthens the national system is the power of partnerships and coalitions with states, cities large and small, regional authorities, and others. Following are just a few of the many benefits Amtrak® realized through partnerships this year.

Cascades Service Amtrak and the state of Washington made final preparations to introduce new custom-designed trainsets in the Pacific Northwest corridor. Early in 1999, they will be used in the state-supported Cascades Service between Portland, OR, Seattle, WA, and Vancouver, British Columbia.



Metrolink Metrolink—operated by Amtrak—celebrated a fifth-year anniversary in FY98. Serving five southern California counties with 104 trains daily, Metrolink is operated under the auspices of the Southern California Regional Rail Authority. It started with 2,300 daily riders. After just five years, the daily total has surpassed 27,000 passengers. At the start of FY99, Metrolink extended Amtrak's contract for an additional five years.

Illinois-Supported Trains This year, Amtrak and Illinois celebrated their joint success in the first year of a new three-year contract. The partnership's three state-supported trains met all performance goals—more than 99 percent originated on time, and nearly 90 percent completed the trip on time; ridership grew an average of more than 14 percent; and new customer-service enhancements were introduced.

Midwest Regional Rail Initiative In August, Amtrak announced a partnership with nine Midwestern states in proposing the Midwest Regional Rail Initiative. The 3,000-mile network will feature more frequent service, at speeds up to 110 mph, on corridors radiating from Chicago and connecting major regional metropolitan areas.

New Corridor Development Along with state and federal officials, Amtrak began work to develop improved rail services in growing markets such as the Gulf Coast corridor and the Southeast corridor stretching from Washington, D.C., to Atlanta and Jacksonville.

MBTA Old Colony Service After an absence of 38 years, full operation of the Massachusetts Bay Transportation Authority's Old Colony service in the Boston area resumed early in the year, connecting Boston and more than two dozen suburban stations. The first-day ridership was 60 percent above the average daily ridership in the late '50s.



Customer

Customer Service and Standards

Amtrak® is dedicated to providing a market-based rail system with customer-defined product offerings and world-class service. While these may sound like abstract notions, the very tangible goal is satisfied customers who choose Amtrak again and again.

An extensive market-based research analysis is under way to define consumer demand, to identify opportunities to grow rail service, and to increase Amtrak's share of America's travel market. For the first time, Amtrak will define a national rail network in terms of where both current and potential customers want to go.

Similarly, Amtrak is redefining its product categories to simplify the offerings in the customer's eyes and to strengthen the corporate brand identity. Customers will be able to choose the travel time and level of on-board amenities that match their preferences and their pocketbook.

Finally, Amtrak launched a corporate-wide effort to ensure the consistent delivery of world-class service to our customers. A team of 18 senior managers was charged with developing customer-focused service standards and recommending actions and investments necessary for implementation. The team's recommendations represent the blueprint for action in 1999 in all parts of the corporation, but, most importantly, in the areas of hiring, training, and rewarding employees. The final result will be a travel experience that pleases customers and consistently draws them back to Amtrak.



Service



A critical step in the customer's overall experience with Amtrak is the process of making reservations and purchasing tickets. And, customers have clearly stated that they want a variety of efficient ways to purchase Amtrak's product. In response:

- *The company has launched Res2000, the most extensive project to improve station ticketing, reservations, customer information, and accounting functions in Amtrak's history.*
- *After months of planning, sophisticated Voice Response Units (VRU) went into service and became an immediate success among callers to 1-800-USA-RAIL.® The technology provides services quickly and easily, and it allows more time for reservations agents to handle complicated travel itineraries.*
- *Amtrak's Internet web site was redesigned, incorporating changes and improvements suggested by customers.*
- *The telephone reservations centers now have new Pentium® workstations and data systems, enabling customer needs to be served more quickly and easily.*

The result of these efforts is that customer usage of Amtrak's interactive selling channels—VRU, Internet and Quik-Trak self-service ticketing machines—doubled in the past year. In addition, the average call to our reservations centers is answered in 41 seconds; nearly 99 percent of callers reach 1-800-USA-RAIL on the first try; and the number of callers who hang up has been reduced to where Amtrak successfully handles 95 percent of all customer telephone inquiries, the industry standard.

Employees

The People of Amtrak®

There isn't any single reason why Amtrak® had such a successful year—there are 24,000 of them. Combining both intercity and commuter passengers, 75 million people came into contact with Amtrak's 24,000 dedicated professionals around the country.

Some of that contact is obvious: thousands of Amtrak employees work on board the trains, or as station agents, ticket clerks, red caps, baggage handlers, and police. Some of it is not so visible: thousands answer the phones at Amtrak's three reservations centers.



And finally, there's the behind-the-scenes customer service that the passenger never sees directly. Trains are dispatched, efficiently and safely. Cars are cleaned carefully. Locomotives, passenger cars, and other equipment are repaired and maintained meticulously. Track, signals, bridges—all going by in a blur—are kept safe and sound in all kinds of weather.

And this year, as with most years, the exemplary performance of Amtrak's employees won recognition:

- *The re-launched Adirondack Service was named the national winner in the Cultural Heritage category for the Travel Industry Association of America's Odyssey Awards.*
- *Amtrak's Coast Starlight won the Sapphire Award from "On-Board Services" magazine for superior on-board service in a competition with railroads from around the world.*
- *The Northeast Corridor won two TRANNY Awards from the Transportation Marketing Communications Association.*
- *Both the city of Chicago and the state of Illinois stepped forward with grants to keep valued employees at the reservations center in Chicago. As a result, employees moved into a new center offering the latest in technological and ergonomic advantages. Similar cooperation by municipal partners and Amtrak employees led to a decision to move to an improved reservations center in Philadelphia.*

24,000

It's also the people of Amtrak who make possible the productive relationships the company enjoys with commuter agencies. Amtrak is now the nation's largest operator of commuter services.

● A contract with the Peninsula Corridor Joint Powers Board to operate Caltrain in California was designed to reward Amtrak for high customer-satisfaction scores. Employees met the challenge—customer surveys ranked them at 3.9 (on a scale of 1-5) in 19 different areas, from courtesy to cleanliness. As a result, they shared a \$125,000 incentive reward from the client.

● The three state-supported trains Amtrak operates for Illinois had a year in which more than 99 percent of the runs originated on time, and nearly 90 percent were completed on time. Ridership for the three grew by 18.3, 16.1, and 8.3 percent.

Thanks to the creativity of Amtrak's labor organizations, the company was able to reach a unique agreement with several crafts to perform maintenance on the new High-Speed Rail equipment, which will begin testing on the Northeast Corridor in 1999.

Other examples of creativity, dedication, and dramatic heroism are showcased each year in the Amtrak President's Service and Safety Awards. This year's 37 recipients (*the individuals shown below, plus committees and work groups*) typify the finest Amtrak employee—devoted to both colleagues and the customer, a trait that is a key element in the long-term success of the corporation.



Capital

Investing in the Future

This fiscal year represented a historic turning point for Amtrak®. After years of annual uncertainty about adequate investment capital, 1998 began with both certainty and a resounding vote of confidence from Congress.

As part of the Taxpayer Relief Act of 1997, Amtrak received \$2.2 billion in investment capital, to be provided to the corporation over a two-year period. Within months, the company announced the first phase of its capital program: investments that promised high rates of return, through either lower operating costs, or increased revenue generated by improved customer service.

The first phase includes:

- *Continuing preparations for the 1999 arrival of High-Speed Rail, which will revolutionize train travel in the Northeast Corridor, and serve as the model for similar developments across the country.*
- *Rebuilding of Superliner® and Horizon passenger cars for both short- and long-distance service, to improve the travel experience for our guests.*
- *Renovating stations in Seattle and Centralia, WA; Salem, OR; Sacramento, CA; and the Auto Train® terminal in Lorton, VA, (pictured below), because customers have said how important the train station is to a successful and pleasant journey.*
- *Enhancing the central reservations system, making it more efficient and easier to use for employees and customers alike.*



Other important investments will be less obvious to customers, but they will still improve the travel experience. For example: improved bridge, signal, and track infrastructure on Amtrak-owned track in Michigan; infrastructure improvements on the Los Angeles-Las Vegas corridor, in anticipation of resumed service there; and renovated or replaced maintenance facilities in Oakland, CA, and Seattle, WA.



Two major events during the year typified Amtrak's ability to invest capital funds effectively:

- *In February, Amtrak announced plans to purchase eight new bi-level trainsets for the San Diegan Service, to replace single-level equipment that is as much as 30 years old. Competitive financing for the \$100-million purchase was made possible by the availability of the federal investment capital.*

- *With the assistance of the city and the state, a state-of-the-art Consolidated National Operations Center opened in Wilmington, DE, in March (pictured above and right), allowing the consolidation of five critical operating and engineering departments. What had been a supply warehouse became a striking contemporary showcase of technology and design, including employee-friendly environments.*

Through continued wise investment of capital, Amtrak will stay on a track lined with proud employees, satisfied customers, and the signposts of operating self-sufficiency.



Investments

High Speed

The Premier Example of Investing in the Future

In late 1999, Amtrak® will launch America's first High-Speed Rail service. Traveling at speeds up to 150 mph, the new trainsets will reduce the travel time between New York and Boston to just three hours, and to just two hours and 45 minutes or less between New York and Washington, D.C.

The service will feature a new level of comfort with on-board amenities designed to enhance the entire travel experience.

Introduction of the new service is just one element in a phased program that will transform the face of Amtrak service on the Northeast Corridor, and serve as the model for a new generation of rail service throughout the national Amtrak system.

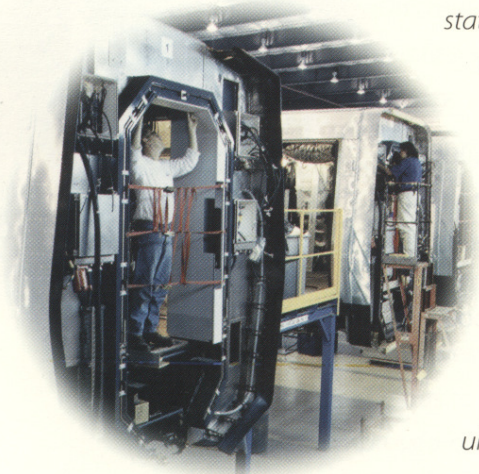
Here are some of the highlights of the year's activity in preparing for High-Speed Rail:

● **Electrification** — *Extension of the electrification system from New Haven to Boston—with 1,400 miles of new wire—is under way. Almost all the foundations for 14,000 electrical poles have been installed, and 8,500 of the 31-foot-tall poles themselves have been erected. Electrification enables quicker acceleration, reducing customers' travel time.*

● **Infrastructure** — *Work is nearing completion, to ultimately include major station upgrades, 330,000 new concrete ties, 140 miles of continuous-welded rail, a new signal system, 57 new bridges, and five high-speed crossovers. These improvements contribute to both a smoother ride and a more rapid journey.*

● **Training** — *Planning for a major training program is moving along quickly, focusing on both new customer-service expectations, and the operational skills needed for the new equipment. Service to customers must be of world-class quality.*

● **Trainsets** — *Production of the 20 trainsets—offering customers the ultimate in amenities, such as outlets at every wide, comfortable seat, state-of-the-art telephone services, tables in every car, and an elegant first-class car—remains on schedule. As the year ended, 10 coaches were in assembly at a Barre, VT, facility and two locomotives and two power cars were in assembly at a Plattsburgh, NY, facility.*



In addition, three Service and Inspection shops for the high-speed trains are on schedule for completion at Boston's Southamptton Yard, New York's Sunnyside Yard, and Ivy City in Washington, D.C. Maintenance will be performed by Amtrak employees and managed by Bombardier Inc.

The new trainsets will replace the *Metroliners*® south of New York and provide new express service north of New York to Boston. The current *Metroliner*® fleet will replace equipment already in use on the corridor, and current Amfleet equipment will be upgraded.

The introduction of High-Speed Rail will bring a gain of \$180 million in net revenue to Amtrak after the first full year of High-Speed Rail service.



Business

Superior Performance

It was a record-breaking year for Amtrak®. As the company dedicated itself to becoming more commercially oriented and customer-focused, the positive impact of that effort became obvious. Financial projections for the year were exceeded.

- *Passenger revenue topped the \$1-billion mark, the highest it has been in the corporation's 27-year history.*
- *Ridership increased 4.5 percent—the largest jump in 10 years.*
- *On-time performance improved five points to nearly 80 percent—the highest level in 13 years.*
- *Mail and Express revenue reached \$83 million—a 19-percent increase over the previous year.*

Just as important as financial performance indicators, the company became an even safer place to work: reportable employee injuries were down 14 percent.

This was a year when Amtrak employees were called on to overcome some severe weather challenges. In the west, El Niño brought significant areas of service to a halt for weeks. And in the east, Hurricanes Bonnie and Georges both disrupted operations. Despite those obstacles, the company still achieved record results in key business segments.





In virtually every way, the company succeeded in making the progress it had projected in committing to Congress that, with adequate capital investment, Amtrak would reach operational self-sufficiency by the end of 2002. After the year's results were announced, Board of Directors

Chairman Governor Tommy Thompson (*pictured left*) said,

"As outlined in our Strategic Business Plan, we're on the path to creating a more modern and financially sound national rail system."

Governor Thompson is representative of the new direction and the new Board that were established as part of the company's reauthorization, approved by Congress early in the year.

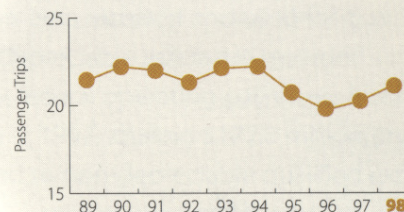
The reauthorization itself represented a resounding vote of confidence by Congress and the administration. Not only did the company receive a five-year authorization—and greater flexibility in its business operations—but Amtrak was also given access to \$2.2 billion in investment capital as part of the Taxpayer Relief Act.

With this renewed support from Congress and a continued strong business performance, Amtrak is indeed turning the corner to becoming an operationally self-sufficient, world-class, national rail system.

RIDERSHIP

(In Millions)

Fiscal Years 1989-1998



Results

JOHN MASSIMO



"... Mr. Massimo was uncommonly patient, personable, and congenial with everyone who approached him with all their 'stuff' that day ... this fellow Massimo has the kind of skill, grace, and relational expertise in dealing with people that one doesn't frequently encounter."

A customer from Cambridge, MA, commends John Massimo, Conductor on the Amtrak® NortheastDirect® Service.

FLORA JONES



"... I was returning from my sister's funeral when I met my guardian angel. Her name is Flora ... When she found out about my grief, she put me under her wing for the entire trip ... She supported me and cried with me ... As long as I live, I will never forget her."

A passenger from Hummelstown, PA, commends Flora Jones, Sleeping Car Attendant on the Amtrak® Silver Star.

CHRIS NAY



"... I lost my balance on the train and fell ... your conductor rushed to my aid and helped me ... Her concern and help made all the difference on my journey."

A traveler from Ojai, CA, commends Chris Nay, Conductor on the Amtrak® San Diegans.

Results

Management's Discussion & Analysis

of Results of Operations and Financial Condition

RESULTS OF OPERATIONS

Amtrak® reported a 1998 net loss of \$352.7 million compared with a 1997 net loss of \$761.9 million.

Amtrak's budget result of negative \$99.0 million was ahead of plan. Budget result includes federal payments which support operations and excludes significant charges which do not require funding in the current year, principally depreciation.

The net loss reflects an increase in total revenues to \$2,285.2 million in 1998 compared to \$1,673.7 million in 1997. This improvement reflects the inclusion in 1998 of certain federal payments received as a result of two federal acts described below. In addition, the company realized improvements over 1997 in passenger related and other revenue, and commuter revenue.

The 1997 Amtrak Reform and Accountability Act established that no additional preferred stock would be issued by Amtrak in exchange for federal grants received on or after December 2, 1997. Also, the Taxpayer Relief Act of 1997 provided Amtrak with \$2.2

billion in funds to be used for qualified expenditures. Federal capital and Taxpayer Relief Act (TRA) payments received and used for qualified expenditures other than depreciable assets are recorded as

revenue. Consequently, federal operating payments received on or after December 2, 1997, totaling \$172.0 million, and TRA payments related to non-depreciable qualified expenditures totaling \$370.1 million were recorded as revenue in 1998 – a total of \$542.1 million. Chart A displays Amtrak's financial performance from 1989 to 1998.

Passenger related and other revenues increased 3.8 percent to \$1,392.0 million in 1998 from \$1,341.0 million in 1997. Passenger related revenues primarily increased as a result of a 4.5 percent ridership increase. Ridership increased to 21.1 million compared to 20.2 million in the prior year. Other

revenues increased overall despite a decline in telecommunications

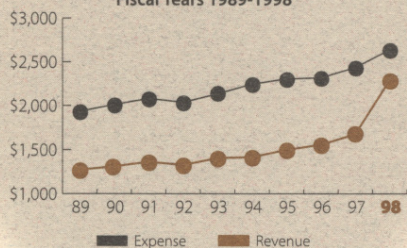
revenues due to one-time sales occurring in the prior year. This decline was more than offset by increases in state contributions, mail and express services, and \$34.6 million of interest income earned on TRA payments received.

CHART A

FINANCIAL PERFORMANCE

(Millions of dollars)

Fiscal Years 1989-1998



Note 1: FY94 expenses exclude \$243.8 million in one-time charges.

Total expenses increased 8.3 percent to \$2,637.9 million in 1998 versus \$2,435.6 million in 1997. This primarily reflected higher salaries, wages and benefits from recent and expected settlements of labor agreements covering a 3-year period, and higher interest expense. Expenses related to train operations decreased while depreciation expense increased. More detail is provided for revenues and expenses later in the discussion.

In addition to the \$172.0 million received and recorded as revenue, Amtrak received \$172.0 million more in federal operating grants in 1998, for a total of \$344.0 million (including \$142.0 million for excess mandatory RRTA expenses). The latter \$172.0 million in contributions received were recorded as issuances of preferred stock. In 1997, Amtrak received \$364.5 million in federal operating grants (including \$142.0 million for excess mandatory RRTA expenses).

Subsequent to 1997 fiscal year end, the Amtrak Reform and Accountability Act of 1997 was enacted that (i) provided Amtrak access to \$2.2 billion to fund capital expenditure needs under the Taxpayer Relief Act of 1997, (ii) authorized reforms to Amtrak operations, (iii) specified a goal of operating self-sufficiency at the end of five years, and (iv) established new and additional oversight processes.

Amtrak's 1998 results were better than plan. This 1998 actual-to-plan comparison excludes from revenues the \$542.1 million related to federal operating payments and TRA payments, and the \$34.6 million of interest income earned on investment of TRA funds. Amtrak ended 1998 with a \$50.0 million cash deficit, which was funded through \$50.0 million of short-term borrowings under Amtrak's lines of credit at the end of 1998. The actual cash deficit was \$50.0 million better than forecasted. Amtrak continues to have many significant challenges to reaching operating self-sufficiency.

REVENUES

Chart B displays the sources of Amtrak revenue in 1998.

Passenger related and other revenue

increased by 3.8 percent to \$1,392.0 million in 1998 from \$1,341.0 million in 1997. In 1998,

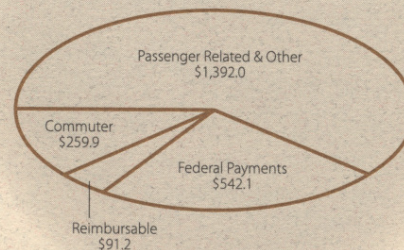
passenger related revenue (from transportation, food, and beverage revenue) alone increased by 3.8 percent to \$1,000.2 million in 1998 compared to \$963.9 million in 1997. This marks the first time in Amtrak's history that passenger related revenues for the year

CHART B

SOURCES OF REVENUE

FY 1998

Total \$2,285.2 Million



exceeded the \$1 billion level – a notable achievement despite significant weather-related service disruptions experienced by Amtrak Intercity and Amtrak West. The product lines with the most significant revenue growth were Amtrak Intercity's Western and *Auto Train*® product lines; Northeast Corridor's (NEC's) *Metroliner*® and *NortheastDirect*® product lines; and Amtrak West's Pacific Northwest Corridor and *Coast Starlight* product lines. The revenue improvement reflected increases in ridership (4.5 percent), passenger miles (2.7 percent), and seat miles (3.0 percent).

Other revenue (from state contributions, commuter fees, freight railroad access fees, real estate operations and development, mail, baggage, express services, interest, and other) increased 3.9 percent to \$391.8 million in 1998 from \$377.1 million in 1997. Those categories contributing the most to this increase were state contributions, mail and express services, and interest income.

State contributions increased by 17.8 percent to \$82.6 million in 1998 from \$70.1 million in 1997. The favorable variance between 1998 and 1997 resulted from higher levels of contributions from the states of California, Illinois, Michigan, Missouri, North Carolina, New York, Pennsylvania, Oregon, Wisconsin, and Washington.

Mail revenue increased 10.9 percent, to \$74.0 million in 1998 from \$66.7 million in 1997. This growth reflects additional volume from new business in the midwestern cities of Minneapolis, MN; Chicago, IL; and Kansas City, MO; as well as in the northeastern states of Massachusetts and Connecticut.

Express services revenue more than tripled in 1998 to \$8.9 million as compared to \$2.9 million in 1997, as a result of the express project initiated in the latter part of 1997.

Other income increased by 4.7 percent to \$98.3 million in 1998 from \$93.9 million in 1997. Interest income was \$35.2 million higher than 1997, relating to the interest earned on TRA payments received in 1998. This gain was offset by lower telecommunications sales in 1998 as compared to 1997, which included several one-time sales.

Fees paid by commuter rail companies for use of Amtrak's right-of-way increased by 2.6 percent to \$74.1 million in 1998 compared to \$72.2 million in 1997, primarily due to rate increases.

Freight railroad access fees also increased by 15.9 percent to \$18.2 million in 1998 from \$15.7 million in 1997. This increase was principally due to increased activity by certain freight railroads on Amtrak-owned rail in the Northeast Corridor.

Real estate and development revenues decreased by 36.2 percent to \$35.2 million in 1998 from \$55.2 million in 1997. This is due to the fact that 1997 revenues included several one-time property sales in the Northeast Corridor.

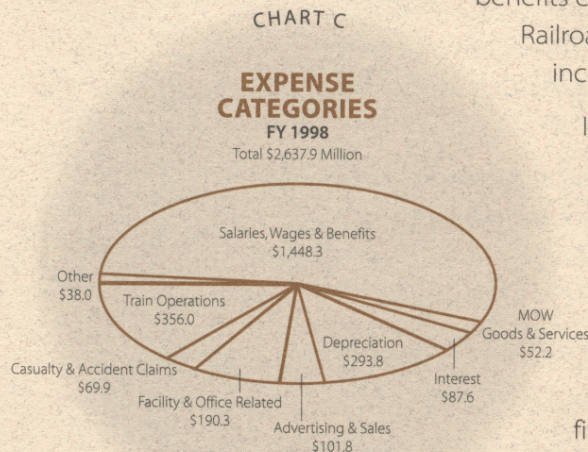
Commuter operating revenue increased 7.6 percent to \$259.9 million in 1998 from \$241.6 million in 1997. The increase primarily reflected higher revenue for extra work performed for Massachusetts Bay Transit Authority on projects that were incremental to the base service contract.

Reimbursable revenues stayed relatively unchanged increasing to \$91.2 million in 1998 from \$91.1 million in 1997.

EXPENSES

Chart C displays the categories of expense for Amtrak in 1998.

Salaries, wages, and benefits increased 11.5 percent to \$1,448.3 million in 1998 from \$1,298.5 million in 1997 reflecting recent and expected settlements of labor agreements covering a 3-year period that require retroactive payments. Employee benefits expenses increased 8.0 percent, primarily reflecting higher Railroad Retirement and other payroll taxes along with increased union health and welfare benefit costs.



In December 1997, Amtrak and one of its labor unions settled an agreement which provided for wage increases for November 1995 through December 1999. Amtrak recorded a liability for the retroactive portion of this increase at 1997 fiscal year end. By 1998 year end, Amtrak and three more labor unions had settled agreements which provided for wage increases for the same period. These increases are to be paid over the next two fiscal years. In 1999, Amtrak expects to reach agreements for wage increases with all of its other labor unions. All

increases relating to these agreements are expected to be paid out through fiscal year 2000. A wage and benefits provision, and related liability for the retroactive portion of all agreements made in 1998 and expected to be made in 1999 is included in 1998 salaries, wages, and benefits. All agreements include work rule changes that are expected to save Amtrak approximately 20 percent of the incremental wage costs through fiscal year 2000.

Non-labor train operations expenses decreased 2.6 percent to \$356.0 million in 1998 from \$365.4 million in 1997. These expenses include fuel and electric power along with maintenance of equipment and food, beverages and supplies to support on-board services. Decreases in fuel – primarily due to lower fuel prices – and decreases in maintenance of equipment supplies offset increases in the other categories.

Facility and office costs increased 1.7 percent to \$190.3 million in 1998 from \$187.1 million in 1997 as a result of higher building maintenance and communication costs.

Maintenance-of-way goods and services expense increased 14.0 percent to \$52.2 million in 1998 from \$45.8 million in 1997. The increase is associated with work performed by Amtrak under joint benefit projects with New Jersey Transit.

Advertising and sales costs increased 4.0 percent to \$101.8 million in 1998 from \$97.9 million in 1997, primarily reflecting higher advertising expenses.

Casualty and accident claims expense increased slightly to \$69.9 million in 1998 from \$69.6 million in 1997.

Interest expense increased 15.6 percent to \$87.6 million in 1998 from \$75.8 million in 1997, primarily as a result of increased capital lease financings relating to P-42 locomotive, Viewliner car, and express business related equipment acquisitions.

Depreciation and amortization expense increased 21.5 percent to \$293.8 million in 1998 from \$241.8 million in 1997, resulting from new equipment acquisitions.

Other expenses decreased 29.2 percent to \$38.0 million in 1998 from \$53.7 million in 1997. This decrease reflects expanded capital project activity and the resulting increased transfers of costs to capital.

FINANCIAL CONDITION AND LIQUIDITY

At September 30, 1998, Amtrak had cash and cash equivalents of \$274.7 million. The working capital ratio increased to 1.40 in 1998 from 0.42 in 1997. Both reflect the draw of \$1.2 billion of TRA funds in 1998 less \$69.7 million paid to states not served by Amtrak, and the resulting interest income earned on those funds. Current debt and capital lease obligations decreased by \$18.0 million, reflecting current debt paydowns and less than planned short-term borrowings at year end. Chart D displays Amtrak's working capital ratio from 1989 to 1998.

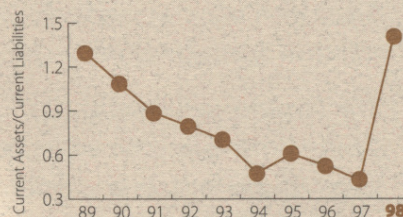
Long-term debt and capital lease obligations increased \$319.4 million related to equipment purchases and investments in high-speed trainsets and maintenance facilities currently under construction. When complete, Amtrak estimates that this investment will result in additional borrowings totaling in excess of \$800 million by fiscal year 2000.

Amtrak had a \$170.0 million unsecured bank credit facility expiring in December 1998. Borrowings under this agreement bore interest based on the London Interbank Offered Rate (LIBOR), certificate of deposit rates, or prime rate, and

CHART D

WORKING CAPITAL RATIO

Fiscal Years 1989-1998



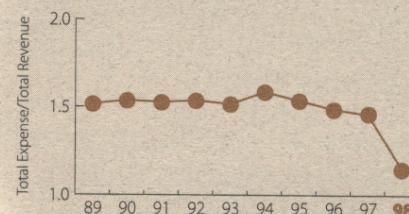
were subject to certain conditions. Amtrak pays various fees on its credit lines. In December 1998, Amtrak secured a new \$121.0 million credit facility under substantially the same terms, expiring in December 1999.

As shown in Chart E, Amtrak has improved its operating ratio (the ratio of total expense to total revenue) from 1.52 in 1989 to 1.15 in 1998. The 1998 operating ratio is a result of the inclusion of federal operating payments and TRA payments in revenues. Excluding these payments, the 1998 operating ratio was 1.51.

CHART E

OPERATING RATIO

Fiscal Years 1989-1998



Note 1: FY94 expenses exclude \$243.8 million in one-time charges. FY98 revenues include \$542.1 million of federal payments.

OUTLOOK

Subsequent to 1997 year end, federal legislation was passed which had a significant positive impact on Amtrak's financial condition. Following is a discussion of this legislation.

The Amtrak Reform and Accountability Act of 1997 provided Amtrak access to \$2.2 billion that was included in the Taxpayer Relief Act of 1997, and authorized operating and capital grants for 1998 through 2002. Significant components of the Act also included the repeal of the requirement for Amtrak to operate a federally-mandated basic route system for passenger service, the elimination of the statutory prohibition on contracting work out, liability reforms, and the appointment of a new Board of Directors. In addition, the Act provided for the establishment of a Reform Council, responsible to Congress, to review, evaluate, and recommend changes to improve Amtrak's financial performance. The Council is required to provide quarterly reports to Congress. If at any time after October 2000 the Council finds that Amtrak will not meet the goal of operating self-sufficiency by the end of fiscal year 2002, plans for Amtrak's restructuring or liquidation must be prepared. Therefore, it is critical for Amtrak to continue its efforts to improve operations, further reduce costs, and increase revenues.

The Taxpayer Relief Act of 1997 provided Amtrak with \$2.2 billion in funds to be used, along with interest earned, for qualified expenditures as defined in the Act. Qualified expenditures include equipment and facility acquisitions and improvements, as well as any interest and debt associated with these purchases. Amtrak will always require federal capital support. Although this funding significantly improved Amtrak's ability to achieve its capital goals in the nearer term, it did not address Amtrak's longer term needs for a dedicated capital funding source.

YEAR 2000 ISSUE

Since October 1996 Amtrak has been working toward making its operating systems year 2000 compliant through the use of dedicated staff and outside programming resources. Amtrak has in place an approved budget for year 2000 projects that includes committed funding for project staff, technical support services, and software procurement. Year 2000 projects in various business areas are actively monitored to ensure that affected business functions will be ready for the year 2000 calendar change. Status reports are periodically prepared and forwarded to the Amtrak management committee for review and comment. The corporation anticipates completing year 2000 programming changes around June 1999.

RESULTS OF MAJOR BUSINESS UNITS

One of Amtrak's most important initiatives in fiscal year 1995 was to create strategic business units to provide greater market awareness, competitiveness, and customer focus.

Table 1 (*on the next page*) shows the 1997 and 1998 operating results for Amtrak's three strategic business units – Amtrak Intercity, NEC, and Amtrak West – and for the corporate service centers and offices which collectively serve all three units. This data is supplemental, unaudited information. Certain reclassifications have been made to the prior year's amounts to conform with the 1998 presentation. Revenues for 1998 include federal payments consisting of federal operating payments and TRA payments (including the related interest income). These amounts are excluded for purposes of computing each unit's and Amtrak's budget result, under "Exclude Federal Payments." Beginning in 1998, expenses incurred by units on behalf of each other are allocated across units, and shown as "Net Intercompany Results."

TABLE 1
\$ Millions

	Amtrak Intercity		NEC		Amtrak West		Corporate		Total	
	FY97	FY98	FY97	FY98	FY97	FY98	FY97	FY98	FY97	FY98
Revenue	\$ 515.1	\$ 694.3	\$ 931.4	\$ 1,066.7	\$ 204.5	\$ 269.9	\$ 22.7	\$ 254.3	\$ 1,673.7	\$ 2,285.2
Expenses	801.1	867.6	1,053.2	1,137.2	284.1	312.0	297.3	321.1	2,435.7	2,637.9
Operating Loss	(286.0)	(173.3)	(121.8)	(70.5)	(79.6)	(42.1)	(274.6)	(66.8)	(762.0)	(352.7)
Exclude Federal Payments	—	(148.7)	—	(136.5)	—	(47.2)	—	(244.3)	—	(576.7)
Operating Loss Restated	(286.0)	(322.0)	(121.8)	(207.0)	(79.6)	(89.3)	(274.6)	(311.1)	(762.0)	(929.4)
Federal Support	120.6	92.7	83.6	94.5	23.2	17.4	216.6	220.9	444.0	425.5
Net Operating Loss	(165.4)	(229.3)	(38.2)	(112.5)	(56.4)	(71.9)	(58.0)	(90.2)	(318.0)	(503.9)
Noncash	90.9	139.3	146.0	222.5	14.2	29.7	(3.5)	13.4	247.6	404.9
Net Intercompany Results	—	(59.1)	—	40.6	—	18.5	—	—	—	—
Budget Results	\$ (74.5)	\$ (149.1)	\$ 107.8	\$ 150.6	\$ (42.2)	\$ (23.7)	\$ (61.5)	\$ (76.8)	\$ (70.4)	\$ (99.0)

As can be seen in the above table, Amtrak Intercity's restated operating loss was unfavorable in 1998 as compared to 1997. These results primarily reflect increased costs related to: financing costs on new equipment purchases; wages and benefits; and depreciation expense on new equipment. These were partially offset by higher passenger related, mail, and express revenues.

The NEC's revenues increased for the core and commuter lines of business. The core increase reflected higher passenger revenues. Higher expenses were primarily related to wages and benefits, and depreciation expense.

Amtrak West's restated operating loss was higher than 1997. Higher expenses were primarily related to wages and benefits, and depreciation expenses. These were offset by higher passenger and state supported revenue.

Corporate expenses reflect higher communications costs and contracted computer service costs in 1998 compared to 1997. Revenues excluding federal payments were lower than 1997, which reflected the one-time sale of an interest in an insurance company.

Report

Report of Independent Accountants

TO THE BOARD OF DIRECTORS OF NATIONAL RAILROAD PASSENGER CORPORATION

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, cash flows, and changes in capitalization present fairly, in all material respects, the financial position of National Railroad Passenger Corporation (Amtrak) and its subsidiaries at September 30, 1998 and 1997, and the results of their operations and their cash flows for each of the two years in the period ended September 30, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of Amtrak's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 4 to the financial statements, the Amtrak Reform and Accountability Act of 1997 reinforced the requirement for Amtrak to achieve operating self-sufficiency by 2002 and provided for the establishment of a Reform Council. If the Council, at any time after December 1999, finds that Amtrak will not meet the goal of operating self-sufficiency by 2002, plans for Amtrak's restructuring or liquidation will begin.

PricewaterhouseCoopers LLP

Arlington, Virginia
December 14, 1998

Balance

Consolidated Balance Sheets

ASSETS:
**September 30,
1998**

 September 30,
1997

(Thousands of dollars)
Current Assets:

Cash and cash equivalents	\$ 274,665	\$ 36,376
Temporary cash investments	409,737	—
Accounts receivable, net of allowance for doubtful accounts of \$915 and \$629 in 1998 and 1997, respectively	88,708	81,647
Materials and supplies	91,624	91,201
Other current assets	3,381	12,010
Total current assets	868,115	221,234

Property and Equipment:

Property and equipment	9,456,439	8,275,366
Less – Accumulated depreciation and amortization	(3,106,929)	(2,841,163)
	6,349,510	5,434,203

Other Assets and Deferred Charges	87,646	81,869
Total assets	\$ 7,305,271	\$ 5,737,306

The accompanying notes are an integral part of these consolidated balance sheets.

Balance Sheets

LIABILITIES AND CAPITALIZATION:

September 30, September 30,
1998 1997
(Thousands of dollars)

Current Liabilities:

Accounts payable	\$ 270,784	\$ 191,627
Accrued expenses and other current liabilities	186,702	161,571
Deferred ticket revenue	61,367	47,740
Current debt and capital lease obligations	102,212	120,188
Total current liabilities	621,065	521,126

Long-Term Debt and Capital Lease Obligations:

Capital lease obligations	1,213,100	791,193
Equipment and other debt	322,545	425,044
	1,535,645	1,216,237

Other Liabilities and Deferred Credits:

Deferred federal capital payments	457,045	—
Casualty reserves	136,177	138,453
Postretirement employee benefits obligation	118,358	115,549
Environmental reserve	35,394	49,383
Advances from railroads and commuter agencies	20,558	15,258
Other	1,545	1,455
	769,077	320,098
Total liabilities	2,925,787	2,057,461

Commitments and Contingencies

Capitalization (see Consolidated Statements of Changes in Capitalization)

	4,379,484	3,679,845
Total liabilities and capitalization	\$7,305,271	\$5,737,306

The accompanying notes are an integral part of these consolidated balance sheets.

Operations

Consolidated Statements of Operations

FOR THE YEARS ENDED

September 30,
1998September 30,
1997

(Thousands of dollars)

Revenues:

Passenger related and other	\$1,391,970	\$1,340,996
Commuter	259,931	241,570
Reimbursable	91,184	91,138
Federal operating payments	172,000	—
Federal capital payments	370,128	—
Total revenues	<u>2,285,213</u>	<u>1,673,704</u>

Expenses:

Salaries, wages, and benefits	1,448,285	1,298,477
Train operations	355,972	365,413
Facility and office related	190,300	187,112
Maintenance of way goods and services	52,247	45,803
Advertising and sales	101,773	97,888
Casualty and accident claims	69,946	69,621
Interest	87,597	75,844
Depreciation and amortization	293,776	241,764
Other	37,999	53,731
Total expenses	<u>2,637,895</u>	<u>2,435,653</u>
Net loss	<u>\$ 352,682</u>	<u>\$ 761,949</u>

The accompanying notes are an integral part of these consolidated statements.

Cash Flows

Consolidated Statements of Cash Flows

FOR THE YEARS ENDED

September 30,
1998September 30,
1997

(Thousands of dollars)

Cash Flows From Operating Activities:

Net loss	\$ (352,682)	\$ (761,949)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	293,776	241,764
Other	(1,267)	(2,127)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(7,061)	23,142
(Increase) decrease in materials and supplies	(423)	13,598
Decrease (increase) in other current assets	8,629	(7,680)
Increase in other assets and deferred charges	(7,064)	(9,621)
Increase in accounts payable, deferred ticket revenue, and accrued expenses and other current liabilities	117,915	65,185
Increase in deferred federal capital payments	457,045	—
Decrease in other liabilities and deferred credits	(8,066)	(8,435)
Net cash provided by (used in) operating activities	500,802	(446,123)

Cash Flows From Investing Activities:

Purchases and refurbishments of property and equipment	(833,764)	(560,443)
Proceeds from disposals of property and equipment	414	2,886
Cash investments	(1,229,739)	—
Proceeds from dispositions of cash investments	821,269	—
Net cash used in investing activities	(1,241,820)	(557,557)

Cash Flows From Financing Activities:

Proceeds from issuance of preferred stock	306,252	602,100
Proceeds from federal paid-in capital	713,247	385,597
Proceeds from federal and state capital payments	32,822	20,790
Proceeds from debt obligations	238,423	181,483
Repayments of debt and capital lease obligations	(311,437)	(171,082)
Net cash provided by financing activities	979,307	1,018,888
Net increase in cash and cash equivalents	238,289	15,208
Cash and cash equivalents – beginning of year	36,376	21,168
Cash and cash equivalents – end of year	\$ 274,665	\$ 36,376

The accompanying notes are an integral part of these consolidated statements.

Capitalization

Consolidated Statements of Changes in Capitalization

	Preferred stock	Common stock	Other paid-in capital	Accumulated deficit	Totals
	(Thousands of dollars)				
Balance at September 30, 1996	\$10,031,347	\$93,857	\$5,295,923	\$(12,010,720)	\$3,410,407
Issuance of preferred stock:					
Operating grant	222,500	—	—	—	222,500
Capital grant	237,600	—	—	—	237,600
Mandatory passenger rail service payments	142,000	—	—	—	142,000
Federal paid-in capital	—	—	385,597	—	385,597
Federal and state capital payments	—	—	43,690	—	43,690
Net loss	—	—	—	(761,949)	(761,949)
Balance at September 30, 1997	10,633,447	93,857	5,725,210	(12,772,669)	3,679,845
Issuance of preferred stock:					
Operating grant	30,000	—	—	—	30,000
Capital grant	134,252	—	—	—	134,252
Mandatory passenger rail service payments	142,000	—	—	—	142,000
Federal paid-in capital	—	—	713,247	—	713,247
Federal and state capital payments	—	—	32,822	—	32,822
Net loss	—	—	—	(352,682)	(352,682)
Balance at September 30, 1998	<u>\$10,939,699</u>	<u>\$93,857</u>	<u>\$6,471,279</u>	<u>\$(13,125,351)</u>	<u>\$4,379,484</u>

The accompanying notes are an integral part of these consolidated statements.

Notes

Notes to Consolidated Financial Statements

For the Years Ended September 30, 1998 and 1997

NOTE 1: NATURE OF OPERATIONS

The National Railroad Passenger Corporation (Amtrak) is an operating railroad, most of whose stock is owned by the United States government through the United States Department of Transportation. Its principal business is to provide national rail passenger transportation service in the major intercity travel markets of the United States to the general public. The corporation is grouped into three strategic business units organized along geographic and market segment lines. The Northeast Corridor primarily serves the region stretching from Virginia to Maine. The West serves the California-to-Washington State region. The Intercity serves regions between the two. Based on total revenues, the NEC is the largest of the three followed by the Intercity, then the West.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The financial statements reflect the consolidated operations of Amtrak, its wholly-owned subsidiaries Chicago Union Station Company (CUS), Washington Terminal Company, and Passenger Railroad Insurance, Limited (PRIL); and its 99 percent interest in 30th Street Limited, L.P. (TSL). All significant intercompany transactions have been eliminated. Certain reclassifications have been made to the prior year's statements to conform with the 1998 presentation.

Income Taxes

Amtrak has accumulated a net operating loss (NOL) carryforward balance of \$12.2 billion as of December 31, 1997, that is available to offset future taxable income. Amtrak has not recognized a deferred tax asset, as the tax benefit of the NOL carryforward is unlikely to be realized in future years. During fiscal year 1998, Amtrak's NOL balance was reduced by \$3.3 billion for funding received under the Taxpayer Relief Act (TRA) of 1997 (see Note 4). Amtrak expects its NOL carryforward balance will be reduced by a comparable amount in fiscal year 1999, when Amtrak receives the second installment of TRA funding.

Ticket Revenue

Ticket sales are recognized as operating revenues when the related transportation services are furnished. Tickets which have been sold but not used are presented as "Deferred ticket revenue" in the Consolidated Balance Sheets.

Contracted Services

The Consolidated Statements of Operations include the gross revenues earned and expenses incurred under contractual arrangements to operate various commuter rail services, to provide access to the Northeast Corridor and other Amtrak-owned facilities, and to perform services for freight railroads and others.

Notes

Notes to Consolidated Financial Statements

For the Years Ended September 30, 1998 and 1997

Cash Equivalents

Amtrak considers all financial instruments purchased with a maturity of three months or less to be cash equivalents.

Temporary Cash Investments

Amtrak has purchased short-term debt securities with original maturities ranging from 3 months to 7 years. These investments are being accounted for as available-for-sale securities. The estimated market value of these investments approximated cost at September 30, 1998. Temporary cash investments of \$409,737,000 in the Consolidated Balance Sheet at September 30, 1998 were comprised of \$139,678,000 of U.S. Treasury debt securities, \$174,889,000 of corporate debt securities, and \$95,170,000 of mortgage backed debt securities.

Materials and Supplies

Materials and supplies, which are stated at weighted average cost, consist primarily of items for maintenance and improvement of property and equipment.

Property and Depreciation

Property and equipment are stated at cost, and are depreciated over their estimated useful lives using the composite straight-line method. Under this method, ordinary gains and losses on dispositions are recorded to accumulated depreciation. Property acquired through capital lease agreements is recorded as an asset and is amortized over its estimated useful life or the lease term.

Casualty Losses

Provision is made for Amtrak's portion of the estimated liability for unsettled casualty and accident claims. The current portion of this liability is included in the Consolidated Balance Sheets under "Accrued expenses and other current liabilities." The non-current portion is classified as "Casualty reserves." As of September 30, 1998 and 1997, the current claims liability included in accrued expenses and other current liabilities was \$70,000,000 and \$71,000,000, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: ACCOUNTING AND REPORTING FOR GOVERNMENT PAYMENTS

Funds are provided to Amtrak through federal and state payments for operations and for capital acquisitions and improvements. For funds received from the federal government prior to December 2, 1997, the Rail Passenger Service Act (49 U.S.C. 24304) required Amtrak to issue to the United States Secretary of Transportation preferred stock equal in par value to all federal operating payments and most federal capital payments received subsequent to October 1, 1981, as well as capital and certain operating payments received prior to that date. The 1997 Amtrak Reform and Accountability Act (see Note 4) established that no additional preferred stock be issued by Amtrak in exchange for federal grants received on or after December 2, 1997. Also, the Taxpayer Relief Act of 1997 provided Amtrak with \$2.2 billion in funds to be used for qualified expenditures as defined in the Act (see Note 4). Accordingly, Amtrak has revised its method of recording and presenting federal payments received on or after December 2, 1997.

Federal operating payments received on or after December 2, 1997, totaling \$172,000,000 were recorded as revenue, with the view that such payments represented the purchase of rail passenger services by the federal government. Taxpayer Relief Act payments received and federal capital payments received on or after December 2, 1997, that are used to acquire depreciable assets, are recorded as federal paid-in capital. Such acquisitions totaled \$264,637,000 in 1998. Payments used for other qualified expenditures are recorded as revenue, with \$370,128,000 recognized in 1998. Unexpended payments are included in the Consolidated Balance Sheet under "Deferred federal capital payments."

NOTE 4: BUSINESS CONDITION AND CASH FLOW

Under the Rail Passenger Service Act of 1970, Amtrak was created in 1971 and authorized to operate a nationwide system of passenger rail transportation. To operate the national passenger rail system and maintain the underlying infrastructure of that system, Amtrak relies on a combination of operating and capital grants provided by the federal and state governments to supplement passenger and other revenues generated from operations.

In August and December 1997, federal legislation was passed that (i) provided Amtrak access to \$2.2 billion to fund capital expenditure needs, (ii) authorized significant reforms to Amtrak operations, (iii) specified a goal of operating self-sufficiency in the next five years, and (iv) established new and additional oversight processes.

Early in fiscal year 1998, Amtrak and one of its labor unions had reached an agreement which provided for wage increases for November 1995 through December 1999. Amtrak recorded a liability for the retroactive portion of this increase at 1997 fiscal year end. By 1998 fiscal year end, Amtrak and three more labor unions had reached agreements which provided for wage increases for the same period. These increases are to be paid over the next two years. In fiscal year 1999, Amtrak expects to reach

Notes

Notes to Consolidated Financial Statements

For the Years Ended September 30, 1998 and 1997

agreements for wage increases with all of its other labor unions. All increases relating to these agreements are expected to be paid out through fiscal year 2000. A liability for the retroactive portion of all agreements made in fiscal year 1998 and expected to be made in fiscal year 1999 is included in the 1998 Consolidated Balance Sheet. All agreements include certain work rule changes and contingencies related to Amtrak's funding.

Amtrak Reform and Accountability Act of 1997

In 1994, Congress and the Administration directed Amtrak to develop a strategy to achieve operating self-sufficiency by 2002. Accordingly, in December 1994, Amtrak's Board of Directors adopted a 1995-2000 strategic business plan to achieve the elimination or significant reduction of federal operating grants.

The Amtrak Reform and Accountability Act of 1997 (Public Law 105-134) reinforced the requirement for Amtrak to reach operating self-sufficiency, and authorizes gradually reducing operating grants through 2002. Significant components of the Act include repeal of the requirement for Amtrak to operate a federally-mandated basic route system for passenger service, and the statutorily prescribed protections for employees affected by a route discontinuance, authorization for Amtrak to negotiate changes in how it contracts out certain labor functions, significant liability reforms and replacement of the existing Board of Directors. In addition, the Act provides for the establishment of a Reform Council, responsible to Congress, to review, evaluate and recommend changes to improve Amtrak's financial performance. The Council is required to provide quarterly reports to Congress; if at any time more than two years after enactment of the law in December 1997 the Council finds that Amtrak will not meet the goal of operating self-sufficiency by 2002, plans for Amtrak's restructuring or liquidation will begin. Therefore, it will be critical for Amtrak to continue its efforts to improve operations, further reduce costs, and increase revenues.

Taxpayer Relief Act of 1997

Amtrak expects to be dependent on federal capital expenditure grants well into the future to fund major repairs to and replacements of its facilities, railway, and equipment, and for repayment of principal under long-term loans and lease arrangements. Federal capital grants will also be necessary for Amtrak to realize the revenue expected from planned new service lines, such as high-speed rail service, mail and express services.

The Taxpayer Relief Act (TRA) of 1997 (Public Law 105-34) provided Amtrak with \$2.2 billion in funds to be used for qualified expenditures as defined in the Act, which include future equipment and facility acquisitions and improvements, the related interest and debt principal obligations incurred for such acquisitions and improvements,

and certain non-capital expenditures. While this funding significantly improves Amtrak's ability to achieve its capital goals in the nearer future, it does not address Amtrak's longer term needs for a dedicated capital funding source.

During 1998, Amtrak received \$1.2 billion of TRA funds, of which \$69.7 million was paid to states not served by Amtrak. At September 30, 1998, "Cash and cash equivalents" and "Temporary cash investments" in the Consolidated Balance Sheet include \$647 million of unspent TRA funds, plus accrued interest. Interest revenue earned on TRA funds during 1998 amounted to \$34,626,000, and is included in "Passenger related and other" in the Consolidated Statement of Operations. The balance of TRA funds will be available in 1999.

Outlook

Amtrak management continues to seek and plan for increased revenues, operating changes to reduce costs and increase efficiency, and a predictable capital expenditure funding flow. Although neither management's success in attaining operational self-sufficiency in the established time frame nor the company's ability to secure a longer term source for capital expenditures funding can be predicted, the events above improve Amtrak's ability to achieve these goals.

NOTE 5: FEDERAL AND STATE FUNDING

Funds are provided to Amtrak through federal and state payments for operations and for capital acquisitions and improvements. For funds received from the federal government prior to December 2, 1997, the Rail Passenger Service Act (49 U.S.C. 24304) required Amtrak to issue to the United States Secretary of Transportation preferred stock equal in par value to all federal operating payments and most federal capital payments received subsequent to October 1, 1981, as well as capital and certain operating payments received prior to that date. Public Law 105-277 approved on October 21, 1998, provides \$609,230,000 in federal funds to Amtrak for fiscal year 1999, for capital and maintenance of equipment purposes.

Federal paid-in capital, included in the Consolidated Statements of Changes in Capitalization, includes certain funding received from the federal government to finance acquisition of and improvements to property and equipment. In exchange for past and prospective funding, Amtrak issued two promissory notes to the United States. The first note matures on November 1, 2082, with successive 99-year renewal terms, and is secured by certain Amtrak rolling stock. The second note matures on December 31, 2975, and is secured by Amtrak's real property. Neither of the notes bears interest, unless prepaid (which Amtrak does not intend to do). The federal government's security interest in Amtrak's real property and certain rolling stock entitles it to repayment plus interest in the event Amtrak ceases operations, is acquired by another entity, or seeks relief under bankruptcy or insolvency laws.

Notes

Notes to Consolidated Financial Statements

For the Years Ended September 30, 1998 and 1997

NOTE 6: PREFERRED AND COMMON STOCK

At September 30, 1998, 109,396,994 shares of \$100 par value preferred stock were authorized, all of which were issued and outstanding. At September 30, 1997, 106,334,478 shares were authorized, all of which were issued and outstanding. All issued and outstanding preferred shares are held by the Secretary of Transportation for the benefit of the federal government. The Amtrak Reform and Accountability Act (see Note 3) resulted in significant modifications to Amtrak's capital structure. The Act abolishes the voting rights and the liquidation preference of the preferred stockholder, and continued accrual of the 6 percent annual cumulative preferred stock dividend; and established that no additional preferred stock be issued by Amtrak in exchange for federal grants received. The Act also requires that Amtrak redeem at fair market value the shares of common stock outstanding as of December 2, 1997, by the end of fiscal year 2002.

At September 30, 1998 and 1997, 10,000,000 shares of \$10 par value common stock were authorized, of which 9,385,694 shares were issued and outstanding.

NOTE 7: PROPERTY AND EQUIPMENT

Total fixed assets presented in the Consolidated Balance Sheets consisted of the following at September 30, 1998 and 1997 (in thousands):

	1998	1997
Locomotives	\$ 1,037,997	\$ 901,046
Passenger cars	2,149,514	2,044,042
Other rolling stock	213,245	170,845
Right-of-way properties	4,397,416	3,687,783
Other properties	1,439,236	1,260,352
Leasehold improvements	219,031	211,298
	<u>9,456,439</u>	<u>8,275,366</u>
Less – Accumulated depreciation and amortization	<u>(3,106,929)</u>	<u>(2,841,163)</u>
Net property and equipment	<u>\$ 6,349,510</u>	<u>\$ 5,434,203</u>

NOTE 8: BORROWING ARRANGEMENTS

Total equipment and other debt presented in the Consolidated Balance Sheets consisted of the following at September 30, 1998 and 1997 (in thousands):

	1998		1997	
	Current	Long-term	Current	Long-term
Equipment obligations	\$ —	\$258,939	\$10,260	\$347,935
Credit agreements	50,000	—	78,000	—
Notes payable	10,560	21,510	5,540	32,059
Bonds	—	30,000	—	30,000
Construction loan	2,823	—	4,683	2,823
UDAG loan	130	12,096	130	12,227
	<u>\$63,513</u>	<u>\$322,545</u>	<u>\$98,613</u>	<u>\$425,044</u>

Under separate financing arrangements, Amtrak may borrow up to \$820 million toward the construction of high speed rail locomotives and trainsets, and related maintenance facilities. During 1998, approximately \$258 million of this amount was advanced on Amtrak's behalf to fund construction activities. Interest charged on outstanding advances is based on the London Interbank Offered Rate (LIBOR) and is being capitalized during the construction phase. During 1998, \$1,120,000 of interest was capitalized. Final delivery of all locomotives and trainsets is expected by August 2000. Final completion of the maintenance facilities is expected by November 1999. Semi-annual principal plus interest payments on all borrowings will commence 12 months after final delivery/completion of the assets, and continue over 20-year terms.

Under separate base order and option order financing arrangements, Amtrak had acquired 195 passenger cars. Principal payments of all outstanding debt pertaining to the 140 base order cars and 55 option cars were being paid in quarterly installments. At year end this remaining outstanding debt was refinanced under a leasing arrangement, and is now included in capital lease obligations (see Note 9).

Amtrak has a \$170,000,000 revolving credit facility with a consortium of banks expiring in December 1998. Borrowings under this agreement bear interest based on the London Interbank Offered Rate (LIBOR), certificate of deposit rates, prime rate, or federal funds rate. Amtrak pays various fees on these credit lines. As of September 30, 1998, Amtrak had drawn \$50,000,000, which was repaid in October 1998. In December 1998, Amtrak secured a new \$121,000,000 credit facility with a consortium of banks under substantially the same terms, expiring in December 1999.

Under a term note, Amtrak has a \$1,755,000 outstanding balance due at September 30, 1998, bearing interest at the LIBOR. This amount is being repaid in \$585,000 quarterly installments through June 1999. Amtrak acquired a parking facility located in Chicago in exchange for a \$20,000,000 promissory note bearing a fixed rate of interest and due in

Notes

Notes to Consolidated Financial Statements

For the Years Ended September 30, 1998 and 1997

full in December 2003. The seller has secured a mortgage on the facility as well as an irrevocable unconditional \$4,000,000 letter of credit as collateral. Under a loan agreement with the State of Texas, Amtrak has a \$5,600,000 outstanding balance due at September 30, 1998, payable by July 1999. Interest is charged at a rate imposed by the State of Texas.

At September 30, 1998, CUS is obligated to repay \$4,715,000 under a noninterest bearing note payable. A \$3,205,000 installment was paid in November 1998, with the remaining balance due in November 1999. Amtrak is guaranteeing payment of all amounts due.

Included in TSL's long-term debt at September 30, 1998 are \$30,000,000 of Philadelphia Authority for Industrial Development tax-exempt private-activity bonds (Bonds) issued for the benefit of TSL's rehabilitation of 30th Street Station (Station) in the city of Philadelphia, Pennsylvania (City). The Bonds were issued on December 30, 1987, mature on January 1, 2011, and bear interest at a fixed or variable rate as stipulated in the bond indenture. Interest is payable until maturity at intervals determined under provisions in the bond indenture. No amortization of bond principal prior to maturity is required. Amtrak is required to make annual deposits into a sinking fund to be used to pay off the bonds when they mature. As of September 30, 1998 Amtrak's aggregate deposits into the fund were \$3,600,000. Since the Bonds are subject to optional tender by the bondholders, TSL has executed a Liquidity Facility which provides funds to purchase the Bonds surrendered under the optional tender provisions.

TSL has a construction loan agreement which at TSL's option bears interest at the LIBOR or the prime rate. The loan is secured by a leasehold mortgage on TSL's right and interest in the Station. The remaining balance was paid in full in October 1998.

TSL has an obligation to the City under an Urban Development Action Grant (UDAG) loan agreement as of September 30, 1998. Principal is being repaid in \$130,000 annual installments each November 29th through 2011 with the balance due on November 29, 2012. The City's rights under the UDAG loan agreement are secured by a leasehold mortgage. The UDAG loan bears no interest.

The weighted average interest rate on all interest-bearing borrowings was 6.4 percent and 7.0 percent per annum at September 30, 1998 and 1997, respectively.

At September 30, 1998, scheduled maturities of long-term equipment and other debt over the next five years are as follows:

Year Ending September 30	Amounts (In Thousands)
1999	\$ 63,513
2000	1,640
2001	13,077
2002	13,077
2003	33,077
Thereafter	<u>261,674</u>
	<u>\$386,058</u>

NOTE 9: LEASING ARRANGEMENTS

Capital Leases

Amtrak leases items of equipment, primarily passenger cars and locomotives, under capital leasing arrangements. At September 30, 1998 and 1997, the gross amount of assets recorded under capital leases was \$1,284,078,000 (44 percent for locomotives, 51 percent for passenger cars, and 5 percent for other assets), and \$881,071,000 (55 percent for locomotives, 42 percent for passenger cars, and 3 percent for other assets), respectively, with accumulated amortization of \$225,416,000 and \$148,645,000, respectively. At September 30, 1998, future minimum lease payments under capital leases were as follows:

Year Ending September 30	Amounts (In Thousands)
1999	\$ 117,444
2000	118,381
2001	125,599
2002	122,277
2003	123,466
Thereafter	<u>1,458,568</u>
	2,065,735
Less amount representing interest	<u>813,936</u>
Present value of minimum lease payments at September 30, 1998	<u>\$1,251,799</u>

Notes

Notes to Consolidated Financial Statements

For the Years Ended September 30, 1998 and 1997

Operating Leases

At September 30, 1998, Amtrak was obligated for the following minimum rental payments, principally for station and office space, under operating leases that have initial or remaining noncancelable lease terms in excess of one year:

Year Ending September 30	Amounts (In Thousands)
1999	\$ 10,657
2000	10,416
2001	10,036
2002	9,793
2003	9,623
Thereafter	71,064
	<u>\$121,589</u>

Rent expense for the years ended September 30, 1998 and 1997 was \$34,559,000 and \$32,684,000, respectively.

NOTE 10: CONTINGENCIES

Amtrak is involved in various litigation and arbitration proceedings in the normal course of business. While the outcome of these matters cannot be predicted with certainty, it is the opinion of management and counsel that the disposition of these matters will not materially affect Amtrak's consolidated financial statements.

Amtrak has self-insured certain risks with respect to losses for third-party liability and property damage. Insurance coverage for liability losses from \$10,000,000 to \$200,000,000 is provided through a railroad industry captive insurance company and commercial insurance companies. The Amtrak Reform and Accountability Act of 1997 limits the amount railroad passengers may recover from a single accident to an aggregate of \$200,000,000.

NOTE 11: RETIREMENT BENEFITS

Pension Plan

Amtrak has a qualified noncontributory defined benefit retirement plan held in trust covering nonunion employees and certain union employees (Plan). Benefits are based on years of credited service, and the employee's average compensation during the five highest consecutive years. Amtrak's funding policy is to periodically contribute amounts recom-

mended by outside actuaries. The following tables set forth the Plan's funded status, amounts recognized in the Consolidated Balance Sheets at September 30, 1998 and 1997, and components of the net pension expense for 1998 and 1997 (amounts in thousands):

	1998	1997
Actuarial present value of benefit obligations:		
Accumulated benefit obligation, including vested benefits of \$93,393 and \$83,499, respectively	<u>\$ 94,233</u>	<u>\$ 84,132</u>
Plan assets at fair value, primarily fixed income investments and listed stocks	\$165,968	\$142,156
Projected benefit obligation for service rendered to date	<u>122,563</u>	<u>107,698</u>
Plan assets in excess of projected benefit obligation	43,405	34,458
Unrecognized prior service cost being amortized over 13.9 years	3,457	4,244
Unrecognized net gain	(52,430)	(44,701)
Unrecognized net asset existing at October 1, 1986 being amortized over 11.6 years	—	(690)
Other	<u>(20)</u>	<u>(22)</u>
Accrued pension expense recognized in Consolidated Balance Sheets	<u>\$ (5,588)</u>	<u>\$ (6,711)</u>
Net pension expense for 1998 and 1997 included the following components:		
Service cost – benefits earned during the period	\$ 4,385	\$ 3,913
Interest cost on projected benefit obligation	8,009	7,393
Actual return on Plan assets	(28,298)	(25,718)
Net amortization and deferral	<u>14,809</u>	<u>14,350</u>
Net pension credit	<u>\$ (1,095)</u>	<u>\$ (62)</u>

The weighted average discount rate used in determining the projected benefit obligation was 7.25 percent and 7.5 percent in 1998 and 1997, respectively. The projected rate of increase in future compensation levels was 4.0 percent in 1998 and 1997. The assumed long-term rate of return on Plan assets was 8.0 percent in 1998 and 1997.

Other Postretirement Benefits

Amtrak provides medical benefits to its retirees and life insurance to some retirees in limited circumstances. Substantially all salaried employees may become eligible for medical benefits if they meet the service requirement and reach the normal retirement age while still working for Amtrak. Company-provided medical benefits are reduced when covered individuals become eligible for Medicare benefits or reach age 65, whichever comes first. Medical benefits are subject to copayment provisions and other limitations. Amtrak continues to fund its postretirement benefits program on a pay-as-you-go basis. Cash payments on these benefits were \$5,649,000 and \$4,069,000 for 1998 and 1997, respectively. Railroad agreement employees' life insurance benefits are

Notes

Notes to Consolidated Financial Statements

For the Years Ended September 30, 1998 and 1997

covered by a separate multiemployer plan, and therefore are not subject to the provisions of FAS 106. The following tables set forth the liability recognized in the Consolidated Balance Sheets at September 30, 1998 and 1997 and components of the net postretirement benefits expense for 1998 and 1997 (amounts in thousands):

	1998	1997
Accumulated postretirement benefit obligation:		
Former employees	\$ 40,608	\$ 40,686
Fully eligible active employees	10,522	9,642
Other active employees	59,240	62,295
Unrecognized prior service cost being amortized over 20.7 years	(23,084)	(24,287)
Unrecognized net gain	29,683	23,621
Total postretirement benefits liability	<u>\$116,969</u>	<u>\$111,957</u>
Net postretirement benefits expense for 1998 and 1997 included the following components:		
Service cost – benefits earned during the period	\$ 3,875	\$ 3,521
Interest cost on accumulated benefit obligation	7,490	6,895
Net amortization	(704)	(522)
Net postretirement benefits expense	<u>\$ 10,661</u>	<u>\$ 9,894</u>

The weighted average discount rate used in determining the accumulated benefit obligation was 7.25 percent and 7.5 percent in 1998 and 1997, respectively. For measuring the expected benefit obligation, 6.5 percent and 7.0 percent annual rates of increase in the per capita claims cost were assumed for fiscal years 1998 and 1997, respectively. This rate was assumed to decrease to 6.0 percent in 1999, then gradually decrease to 4.5 percent by 2002, and remain at that level thereafter. If the assumed healthcare cost trend rate were increased by one percentage point each year, the 1998 net postretirement benefit expense and the related accumulated benefit obligation would increase by \$2,094,000 and \$18,267,000, respectively.

NOTE 12: ENVIRONMENTAL MATTERS

Some of Amtrak's past and present operations involve activities which are subject to extensive and changing federal and state environmental regulations which can give rise to environmental issues. As a result of its operations and acquired properties, Amtrak is from time to time involved in administrative and judicial proceedings and administrative inquiries related to environmental matters.

In 1976, Amtrak acquired its Northeast Corridor properties. These properties had been occupied and used for many years by a railroad which had declared bankruptcy during the early 1970's. It is Amtrak's policy to capitalize recoverable remediation costs for properties acquired with existing environmental conditions and to expense remediation costs incurred on properties for environmental clean-up matters occurring after acquisition. This reserve is periodically adjusted based on Amtrak's present estimate of the costs it will incur related to these sites and/or actual expenditures made. At September 30, 1998 and 1997, the reserve balance stood at \$35,394,000 and \$49,383,000, respectively. Of these amounts \$34,829,000 and \$48,803,000 relate to estimated capitalizable costs to be incurred as of September 30, 1998 and 1997, respectively. Costs of future expenditures for environmental remediation obligations are not discounted to their present value. Accordingly, at September 30, 1998 and 1997, a deferred charge for each amount is included in the Consolidated Balance Sheets under "Other assets and deferred charges." Amtrak has not recorded any receivables for recoveries from other parties or from insurance because such recoveries are not sufficiently certain.

Amtrak's management and counsel believe that additional future remedial actions that might be taken or required, if any, will not be material to Amtrak's financial position.

NOTE 13: FAIR VALUE OF FINANCIAL INSTRUMENTS

For cash and cash equivalents, investments, and accounts receivable, the carrying amounts approximate fair value because of the short maturities of these instruments. The carrying amounts of the credit agreements, bonds, construction loan, and portions of notes payable and equipment obligations approximate fair value. All charge interest at rates that are periodically adjusted to market.

The estimated fair values of remaining equipment obligations and notes payable were based upon discounted cash flow analyses using interest rates available to Amtrak and CUS at September 30, 1998 and 1997 for debt with the same remaining maturities. Although by nature interest free, the UDAG loan was also valued based upon a discounted cash flow analysis using September 30, 1998 and 1997 market interest rates. The estimated fair values of these financial instruments are as follows (amounts in thousands):

	1998		1997	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Notes payable	\$ 32,070	\$ 25,815	\$ 37,599	\$ 28,346
Equipment obligations	\$258,939	\$258,939	\$358,195	\$370,320
UDAG loan	\$ 12,227	\$ 4,793	\$ 12,357	\$ 4,432

Notes

Notes to Consolidated Financial Statements

For the Years Ended September 30, 1998 and 1997

NOTE 14: SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended September 30, 1998 and 1997, Amtrak engaged in the following investing and financing activities that affected recognized assets and liabilities, but did not result in a change in cash and cash equivalents (amounts in thousands):

	1998	1997
Net increase in obligation due to third-party lenders in connection with the construction of facilities and equipment	\$257,778	\$ 71,229
Capital lease obligations incurred in connection with the leasing of equipment	\$116,668	\$267,800

Cash interest of \$84,972,000 and \$73,530,000 was paid during the years ended September 30, 1998 and 1997, respectively.

Report

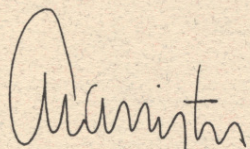
Management Report

Management is responsible for the preparation and integrity of the consolidated financial statements presented in this Annual Report. These statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and necessarily include some amounts that are based on management's best estimates and judgment. Management considers that the financial statements present fairly Amtrak's financial position, results of operations, and cash flows.

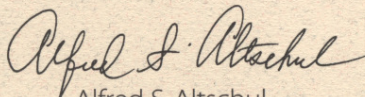
To meet its responsibility, management maintains a comprehensive system of internal controls, policies and procedures to assure the proper authorization of transactions, the safeguarding of assets and reliability of financial information. The system provides reasonable assurance, not absolute, that the related records fairly reflect all transactions in accordance with management's authorization, and are properly recorded so that reliable financial records are maintained and reports can be prepared. The concept of reasonable assurance is based on the recognition that the cost of a system of internal controls must be related to the benefits derived.

An important part of the internal controls system is Amtrak's intent to maintain a high standard of ethical conduct in all business activities. Internal accounting controls, operating controls, as well as a corporate rules of conduct and a business ethics policy, are documented and communicated to all levels of management.

The Board of Directors reviews the system of internal controls and financial reporting. The Board meets and consults regularly with management, the internal auditors and the independent accountants to review the scope and results of their work. The accounting firm of PriceWaterhouseCoopers LLP has performed an independent examination of the financial statements and has full and free access to meet with the Board, without management representatives present, to discuss the results of the audit.



George D. Warrington
President and Chief Executive Officer



Alfred S. Altschul
Chief Financial Officer

STATISTICAL APPENDIX TO AMTRAK® FY1998 ANNUAL REPORT

Performance Indicator	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Revenues: (in millions of dollars)										
Transportation	801	855	887	856	870	809	808	838	895	928
Food & Beverage	69	75	78	74	73	71	66	63	69	73
Passenger Related	870	930	965	930	943	880	874	901	964	1,001
403B Services	8	13	16	21	26	33	36	64	70	83
Commuter Fees	73	76	80	81	84	83	92	84	72	74
Freight	21	18	15	16	16	17	19	18	16	18
Real Estate	52	39	40	34	42	38	31	38	55	35
Mail Baggage & Express	37	38	47	48	53	59	61	67	70	83
Other	50	46	32	16	22	42	64	41	94	98
Other	241	230	230	216	243	272	303	312	377	391
Commuter Operating	83	90	99	116	162	184	213	234	242	260
Reimbursable	75	58	65	63	55	77	107	108	91	91
Federal payments ¹	-	-	-	-	-	-	-	-	-	542
Total Revenue	1,269	1,308	1,359	1,325	1,403	1,413	1,497	1,555	1,674	2,285
Expenses by Major Accounts: (in millions of dollars)										
Salaries, Wages, and Overtime	722	738	733	746	811	856	865	857	893	1,011
Employee Benefits	312	338	342	330	343	349	355	354	377	407
Postretirement Benefits	-	-	-	-	-	101	-	-	-	-
Employee Related	19	21	20	20	24	24	21	25	29	30
Facility and Office Related	131	144	140	148	149	153	172	181	187	190
Train Operations	354	381	408	382	359	358	321	321	365	356
Maintenance of Way Goods and Services	48	40	40	42	43	45	73	59	46	52
Advertising and Sales	89	93	96	92	90	91	90	109	98	102
Financial	80	72	79	81	102	185	144	149	160	181
Depreciation	166	182	203	206	206	245	230	238	242	294
Restructuring Charges	-	-	-	-	-	71	15	-	-	-
Other Expenses	14	3	20	(10)	7	12	19	25	39	15
Total Expenses	1,935	2,012	2,081	2,037	2,134	2,490	2,305	2,318	2,436	2,638
One-time Charges	-	-	-	-	-	244	-	-	-	-
Total Expenses Excluding One-Time Charges²	1,935	2,012	2,081	2,037	2,134	2,246	2,305	2,318	2,436	2,638
Operating Loss	(666)	(704)	(722)	(712)	(731)	(833)	(808)	(763)	(762)	(353)
Exclude Federal Payments and Related Interest	-	-	-	-	-	-	-	-	-	(577)
Operating Loss Restated³	(666)	(704)	(722)	(712)	(731)	(833)	(808)	(763)	(762)	(930)
Federal Grants: (in millions of dollars)										
Federal Operating Grant	554	520	343	331	351	352	392	285	223	202
Excess Railroad Retirement Taxes	-	-	145	150	147	150	150	120	142	142
Federal Capital - Interest	-	-	-	-	-	-	-	-	42	-
Federal Capital - Progressive Overhaul & Other	-	-	-	-	-	-	-	36	37	82
Total Federal Subsidies	554	520	488	481	498	502	542	441	444	426
Net Loss	(112)	(184)	(234)	(231)	(233)	(331)	(266)	(322)	(318)	(504)
Noncash	166	182	203	206	206	255	254	240	248	405
Budget Result	54	(2)	(31)	(25)	(27)	(76)	(12)	(82)	(70)	(99)

STATISTICAL APPENDIX TO AMTRAK® FY1998 ANNUAL REPORT

Performance Indicator	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Revenues: (in millions of dollars)										
Transportation	801	855	887	856	870	809	808	838	895	928
Food & Beverage	69	75	78	74	73	71	66	63	69	73
Passenger Related	870	930	965	930	943	880	874	901	964	1,001
403B Services	8	13	16	21	26	33	36	64	70	83
Commuter Fees	73	76	80	81	84	83	92	84	72	74
Freight	21	18	15	16	16	17	19	18	16	18
Real Estate	52	39	40	34	42	38	31	38	55	35
Mail Baggage & Express	37	38	47	48	53	59	61	67	70	83
Other	50	46	32	16	22	42	64	41	94	98
Other	241	230	230	216	243	272	303	312	377	391
Commuter Operating	83	90	99	116	162	184	213	234	242	260
Reimbursable	75	58	65	63	55	77	107	108	91	91
Federal payments ¹	—	—	—	—	—	—	—	—	—	542
Total Revenue	1,269	1,308	1,359	1,325	1,403	1,413	1,497	1,555	1,674	2,285
Expenses by Major Accounts: (in millions of dollars)										
Salaries, Wages, and Overtime	722	738	733	746	811	856	865	857	893	1,011
Employee Benefits	312	338	342	330	343	349	355	354	377	407
Postretirement Benefits	—	—	—	—	—	101	—	—	—	—
Employee Related	19	21	20	20	24	24	21	25	29	30
Facility and Office Related	131	144	140	148	149	153	172	181	187	190
Train Operations	354	381	408	382	359	358	321	321	365	356
Maintenance of Way Goods and Services	48	40	40	42	43	45	73	59	46	52
Advertising and Sales	89	93	96	92	90	91	90	109	98	102
Financial	80	72	79	81	102	185	144	149	160	181
Depreciation	166	182	203	206	206	245	230	238	242	294
Restructuring Charges	—	—	—	—	—	71	15	—	—	—
Other Expenses	14	3	20	(10)	7	12	19	25	39	15
Total Expenses	1,935	2,012	2,081	2,037	2,134	2,490	2,305	2,318	2,436	2,638
One-time Charges	—	—	—	—	—	244	—	—	—	—
Total Expenses Excluding One-Time Charges²	1,935	2,012	2,081	2,037	2,134	2,246	2,305	2,318	2,436	2,638
Operating Loss	(666)	(704)	(722)	(712)	(731)	(833)	(808)	(763)	(762)	(353)
Exclude Federal Payments and Related Interest	—	—	—	—	—	—	—	—	—	(577)
Operating Loss Restated³	(666)	(704)	(722)	(712)	(731)	(833)	(808)	(763)	(762)	(930)
Federal Grants: (in millions of dollars)										
Federal Operating Grant	554	520	343	331	351	352	392	285	223	202
Excess Railroad Retirement Taxes	—	—	145	150	147	150	150	120	142	142
Federal Capital - Interest	—	—	—	—	—	—	—	—	42	—
Federal Capital - Progressive Overhaul & Other	—	—	—	—	—	—	—	36	37	82
Total Federal Subsidies	554	520	488	481	498	502	542	441	444	426
Net Loss	(112)	(184)	(234)	(231)	(233)	(331)	(266)	(322)	(318)	(504)
Noncash	166	182	203	206	206	255	254	240	248	405
Budget Result	54	(2)	(31)	(25)	(27)	(76)	(12)	(82)	(70)	(99)

STATISTICAL APPENDIX TO AMTRAK® FY1998 ANNUAL REPORT

Performance Indicator FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98

Federal Grants Appropriated: (in millions of dollars)

Federal Operating Grant	554	520	343	331	351	352	392	285	223	202
General Capital Funding	29	84	132	175	190	195	230	230	223	-
NECIP/NHRIP Funding	20	24	179	205	204	225	200	115	175	250
High Speed Rail	-	-	-	-	-	-	-	-	80	-
Taxpayer Relief Act	-	-	-	-	-	-	-	-	-	2,184

Federal Grants Drawn: (in millions of dollars)

Federal Operating Grant	554	520	343	331	351	351	392	286	223	202
General Capital Funding	23	39	186	173	114	140	264	213	238	134
NECIP/NHRIP Funding	38	20	37	180	117	110	125	264	339	417
High Speed Rail	-	-	-	-	-	-	-	-	50	30
Taxpayer Relief Act	-	-	-	-	-	-	-	-	-	1,092

Financial Ratios:

Operating Ratio (Total Expenses/Revenue)	1.52	1.54	1.53	1.54	1.52	1.59	1.54	1.49	1.46	1.15
Current Assets (in millions of dollars)	366	341	270	246	234	199	223	212	221	868
Current Liabilities (in millions of dollars)	282	314	306	313	334	426	372	408	521	621
Working Capital Ratio	1.29	1.08	0.88	0.79	0.70	0.47	0.60	0.52	0.42	1.40

Cash: (in millions of dollars)

Year-End Cash and Cash Equivalents	113	77	31	36	25	24	30	21	36	275
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Customer Satisfaction Index:^a

Amtrak Systemwide	n/a	n/a	n/a	n/a	n/a	n/a	81	82	84	84
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	n/a	79	81	83	84
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	n/a	81	83	83	83
Amtrak West	n/a	n/a	n/a	n/a	n/a	n/a	87	87	87	86

On-Time Performance:

Total System	75%	76%	77%	77%	72%	72%	76%	71%	74%	79%
Short Distance (under 400 miles)	81%	82%	82%	82%	79%	78%	81%	76%	79%	81%
Long Distance (400 miles or more)	54%	53%	59%	61%	47%	49%	57%	49%	53%	59%

Hours of Delay:

Equipment Malfunctions	2,712	1,855	3,007	3,256	3,809	3,422	1,576	1,353	1,737	1,686
Train Servicing in Stations	1,256	673	988	1,041	1,701	2,015	1,421	1,259	982	933
Passenger Related Delays	2,056	1,037	1,920	2,137	2,979	3,101	2,530	2,581	2,591	2,177

Delay Due to Amtrak

Maintenance of Way/Slow Orders	6,025	3,565	5,915	6,433	8,488	8,538	5,527	5,193	5,310	4,796
Freight Train Interference	3,400	1,261	3,010	2,636	4,721	4,934	4,165	4,417	4,843	5,524
Signal Delays	2,257	1,252	1,479	2,033	3,923	4,699	3,360	3,459	3,749	4,169
	3,240	1,732	3,254	3,560	4,183	4,686	3,699	3,562	4,312	4,509

Delay Due to Freight Railroads

Passenger Train Interference	8,898	4,244	7,743	8,229	12,827	14,319	11,224	11,438	12,904	14,202
Waiting for Connections	2,284	1,056	2,631	2,971	3,803	4,175	3,551	3,105	3,434	3,799
Miscellaneous	1,842	1,019	1,180	1,049	1,647	1,652	446	865	483	266
	2,628	1,478	2,246	2,903	4,346	4,245	3,231	2,949	2,962	3,451

STATISTICAL APPENDIX TO AMTRAK® FY1998 ANNUAL REPORT

Performance Indicator	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Federal Grants Appropriated: <i>(in millions of dollars)</i>										
Federal Operating Grant	554	520	343	331	351	352	392	285	223	202
General Capital Funding	29	84	132	175	190	195	230	230	223	—
NECIP/NHRIP Funding	20	24	179	205	204	225	200	115	175	250
High Speed Rail	—	—	—	—	—	—	—	—	80	—
Taxpayer Relief Act	—	—	—	—	—	—	—	—	—	2,184
Federal Grants Drawn: <i>(in millions of dollars)</i>										
Federal Operating Grant	554	520	343	331	351	351	392	286	223	202
General Capital Funding	23	39	186	173	114	140	264	213	238	134
NECIP/NHRIP Funding	38	20	37	180	117	110	125	264	339	417
High Speed Rail	—	—	—	—	—	—	—	—	50	30
Taxpayer Relief Act	—	—	—	—	—	—	—	—	—	1,092
Financial Ratios:										
Operating Ratio <i>(Total Expenses/Revenue)</i>	1.52	1.54	1.53	1.54	1.52	1.59	1.54	1.49	1.46	1.15
Current Assets <i>(in millions of dollars)</i>	366	341	270	246	234	199	223	212	221	868
Current Liabilities <i>(in millions of dollars)</i>	282	314	306	313	334	426	372	408	521	621
Working Capital Ratio	1.29	1.08	0.88	0.79	0.70	0.47	0.60	0.52	0.42	1.40
Cash: <i>(in millions of dollars)</i>										
Year-End Cash and Cash Equivalents	113	77	31	36	25	24	30	21	36	275
Customer Satisfaction Index: ^a										
Amtrak Systemwide	n/a	n/a	n/a	n/a	n/a	n/a	81	82	84	84
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	n/a	79	81	83	84
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	n/a	81	83	83	83
Amtrak West	n/a	n/a	n/a	n/a	n/a	n/a	87	87	87	86
On-Time Performance:										
Total System	75%	76%	77%	77%	72%	72%	76%	71%	74%	79%
Short Distance (under 400 miles)	81%	82%	82%	82%	79%	78%	81%	76%	79%	81%
Long Distance (400 miles or more)	54%	53%	59%	61%	47%	49%	57%	49%	53%	59%
Hours of Delay:										
Equipment Malfunctions	2,712	1,855	3,007	3,256	3,809	3,422	1,576	1,353	1,737	1,686
Train Servicing in Stations	1,256	673	988	1,041	1,701	2,015	1,421	1,259	982	933
Passenger Related Delays	2,056	1,037	1,920	2,137	2,979	3,101	2,530	2,581	2,591	2,177
Delay Due to Amtrak	6,025	3,565	5,915	6,433	8,488	8,538	5,527	5,193	5,310	4,796
Maintenance of Way/Slow Orders	3,400	1,261	3,010	2,636	4,721	4,934	4,165	4,417	4,843	5,524
Freight Train Interference	2,257	1,252	1,479	2,033	3,923	4,699	3,360	3,459	3,749	4,169
Signal Delays	3,240	1,732	3,254	3,560	4,183	4,686	3,699	3,562	4,312	4,509
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Waiting for Connections	1,842	1,019	1,180	1,049	1,647	1,652	446	865	483	266
Miscellaneous	2,628	1,478	2,246	2,903	4,346	4,245	3,231	2,949	2,962	3,451

STATISTICAL APPENDIX TO AMTRAK® FY1998 ANNUAL REPORT

Performance Indicator	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Running Time	897	414	1,051	1,046	1,183	1,127	1,091	972	237	202
Weather Related Delays	379	350	318	216	696	672	177	534	495	573
Delay Due to Other Factors	8,029	4,316	7,426	8,185	11,675	11,871	8,497	8,425	7,611	8,291
Total Hours of Delay	22,952	12,126	21,084	22,847	32,991	34,729	25,248	25,056	25,825	27,289
										30%
										100%
Operating Statistics:										
Passenger Miles ⁵ (in millions)	5,859	6,057	6,273	6,091	6,199	5,921	5,545	5,050	5,166	5,304
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	1,730	1,730	1,618	1,612	1,692
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	3,658	3,298	2,893	2,959	3,009
Amtrak West	n/a	n/a	n/a	n/a	n/a	533	517	539	595	603
Seat Miles (in millions)	11,328	12,052	12,251	11,955	11,914	11,972	11,939	10,902	11,094	11,426
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	4,085	4,327	4,004	3,956	4,127
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	6,646	6,288	5,528	5,728	5,851
Amtrak West	n/a	n/a	n/a	n/a	n/a	1,241	1,324	1,370	1,410	1,448
Load Factor (Passenger Miles/Seat Miles)	52%	50%	51%	51%	52%	49%	46%	46%	47%	46%
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	42%	40%	40%	41%	41%
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	55%	52%	52%	52%	51%
Amtrak West	n/a	n/a	n/a	n/a	n/a	43%	39%	39%	42%	42%
Amtrak Systemwide Route Miles (in thousands)	24	24	25	25	25	25	24	25	25	22
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	2	2	2	2	2
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	21	20	21	21	18
Amtrak West	n/a	n/a	n/a	n/a	n/a	2	2	2	2	2
Train Miles (in millions)	31	33	34	34	35	34	32	30	32	33
Passenger Miles Per Train Mile (PW/TM) ⁵	188.4	183.3	184.5	176.8	177.6	172.6	171.7	168.3	161.4	160.7
Ticket Yield (Ticket Revenue per Pax Mile) ⁵ (cents)	14.0	14.5	14.5	14.3	14.3	14.0	14.9	16.9	17.7	17.8
Yield (Pax Related Revenue per Pax Mile) ⁶ (cents)	14.8	15.4	15.4	15.3	15.2	14.9	15.8	17.8	18.7	18.9
Average Trip Length of Passengers (miles)	274.2	273.0	284.1	285.2	280.9	271.1	267.6	256.9	255.8	251.5
Total Revenue per Seat Mile (cents)	11.2	10.9	11.1	11.1	11.8	11.8	12.5	14.3	15.1	20.0
Total Expense per Seat Mile ² (cents)	17.1	16.7	17.0	17.0	17.9	18.8	19.3	21.3	22.0	23.1
Core Revenue per Seat Mile ³ (cents)	n/a	n/a	n/a	n/a	n/a	94	9.5	10.9	11.1	11.3
Core Expense per Seat Mile ⁴ (cents)	n/a	n/a	n/a	n/a	n/a	168	16.7	18.0	18.9	18.9
Ridership (Passenger Trips): (in millions)										
Northeast Corridor	11.1	11.2	10.9	10.1	10.3	11.7	11.6	11.0	11.1	11.9
Amtrak Intercity	10.3	11.0	11.1	11.2	11.8	6.3	6.1	5.4	5.4	5.6
Amtrak West	Intercity & West ridership are combined in the above number					3.1	3.0	3.3	3.7	3.6
Amtrak System	21.4	22.2	22.0	21.3	22.1	21.2	20.7	19.7	20.2	21.1
Contract Commuter Passenger Trips ⁷ (in millions)	17.4	18.0	18.1	20.3	32.9	39.5	42.2	45.9	48.5	54.0
Total Ridership (Amtrak & Commuter) (in millions)	38.8	40.2	40.1	41.6	55.0	60.7	62.9	65.6	68.7	75.1
Stations Served by Amtrak	504	516	523	524	535	540	530	542	516	508

STATISTICAL APPENDIX TO AMTRAK® FY1998 ANNUAL REPORT

Performance Indicator	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Running Time	897	414	1,051	1,046	1,183	1,127	1,091	972	237	202
Weather Related Delays	379	350	318	216	696	672	177	534	495	573
Delay Due to Other Factors	8,029	4,316	7,426	8,185	11,675	11,871	8,497	8,425	7,611	8,291
Total Hours of Delay	22,952	12,126	21,084	22,847	32,991	34,729	25,248	25,056	25,825	27,289
										30%
										100%
Operating Statistics:										
Passenger Miles ⁵ (in millions)	5,859	6,057	6,273	6,091	6,199	5,921	5,545	5,050	5,166	5,304
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	1,730	1,730	1,618	1,612	1,692
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	3,658	3,298	2,893	2,959	3,009
Amtrak West	n/a	n/a	n/a	n/a	n/a	533	517	539	595	603
Seat Miles (in millions)	11,328	12,052	12,251	11,955	11,914	11,972	11,939	10,902	11,094	11,426
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	4,085	4,327	4,004	3,956	4,127
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	6,646	6,288	5,528	5,728	5,851
Amtrak West	n/a	n/a	n/a	n/a	n/a	1,241	1,324	1,370	1,410	1,448
Load Factor (Passenger Miles/Seat Miles)	52%	50%	51%	51%	52%	49%	46%	46%	47%	46%
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	42%	40%	40%	41%	41%
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	55%	52%	52%	52%	51%
Amtrak West	n/a	n/a	n/a	n/a	n/a	43%	39%	39%	42%	42%
Amtrak Systemwide Route Miles (in thousands)	24	24	25	25	25	25	24	25	25	22
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	2	2	2	2	2
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	21	20	21	21	18
Amtrak West	n/a	n/a	n/a	n/a	n/a	2	2	2	2	2
Train Miles (in millions)	31	33	34	34	35	34	32	30	32	33
Passenger Miles Per Train Mile (PMTM) ⁵	188.4	183.3	184.5	176.8	177.6	172.6	171.7	168.3	161.4	160.7
Ticket Yield (Ticket Revenue per Pax Mile) ⁵ (cents)	14.0	14.5	14.5	14.3	14.3	14.0	14.9	16.9	17.7	17.8
Yield (Pax Related Revenue per Pax Mile) ⁵ (cents)	14.8	15.4	15.4	15.3	15.2	14.9	15.8	17.8	18.7	18.9
Average Trip Length of Passengers (miles)	274.2	273.0	284.1	285.2	280.9	271.1	267.6	256.9	255.8	251.5
Total Revenue per Seat Mile (cents)	11.2	10.9	11.1	11.1	11.8	11.8	12.5	14.3	15.1	20.0
Total Expense per Seat Mile ² (cents)	17.1	16.7	17.0	17.0	17.9	18.8	19.3	21.3	22.0	23.1
Core Revenue per Seat Mile ² (cents)	n/a	n/a	n/a	n/a	n/a	94	95	10.9	11.1	11.3
Core Expense per Seat Mile ² (cents)	n/a	n/a	n/a	n/a	n/a	168	16.7	18.0	18.9	18.9

Ridership (Passenger Trips): (in millions)

Northeast Corridor	11.1	11.2	10.9	10.1	10.3	11.7	11.6	11.0	11.1	11.9
Amtrak Intercity	10.3	11.0	11.1	11.2	11.8	6.3	6.1	5.4	5.4	5.6
Amtrak West	Intercity & West ridership are combined in the above number					3.1	3.0	3.3	3.7	3.6
Amtrak System	21.4	22.2	22.0	21.3	22.1	21.2	20.7	19.7	20.2	21.1
Contract Commuter Passenger Trips ⁷ (in millions)	17.4	18.0	18.1	20.3	32.9	39.5	42.2	45.9	48.5	54.0
Total Ridership (Amtrak & Commuter) (in millions)	38.8	40.2	40.1	41.6	55.0	60.7	62.9	65.6	68.7	75.1
Stations Served by Amtrak	504	516	523	524	535	540	530	542	516	508

STATISTICAL APPENDIX TO AMTRAK® FY1998 ANNUAL REPORT

Performance Indicator	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Locomotive Units:										
Operating Fleet ⁶	312	318	316	336	360	338	313	299	332	345
Available for Service (Year-End Daily Average) ⁹	84%	84%	86%	83%	84%	85%	88%	88%	88%	88%
Diesel Units (New Deliveries)	8	-	-	20	26	18	10	-	111	35
Electric Units (New Deliveries)	5	-	-	-	-	-	-	-	-	-
Year-End Average Age of Locomotives (years)	11.0	12.0	13.0	13.0	13.2	13.4	13.9	14.4	12.0	12.6
Passenger/Other Train Cars:										
Operating Fleet ⁶	1,742	1,863	1,786	1,796	1,853	1,852	1,722	1,730	1,728	1,962
Available for Service (Year-End Daily Average) ⁹	90%	90%	92%	90%	89%	88%	90%	90%	91%	93%
Cars (New Deliveries)	45	58	-	-	-	64	76	105	104	434
Superliner	45	58	-	-	-	64	72	56	-	-
Viewliner	-	-	-	-	-	-	4	36	10	-
Non-Passenger Roadrailer Vans	-	-	-	-	-	-	-	13	44	234
Non-Passenger Express Cars	-	-	-	-	-	-	-	-	50	200
Year-End Average Age of Cars (years)	-	-	-	-	-	-	-	-	-	-
Passenger Cars	17.5	20.0	21.0	21.5	22.6	22.4	21.8	20.7	19.8	21.1
Non-Passenger Cars	-	-	-	-	-	-	-	-	20.5	13.4

Notes:

¹ Includes federal payments received related to grants and Taxpayer Relief Act funds.

² FY94 expenses exclude one-time charges of \$243.8 Million consisting of restructuring cost (\$71.5M), prior year postretirement benefits (\$90.6M), and casualty and accident liability (\$81.6M).

³ Federal payments received related to grants and Taxpayer Relief Act funds, plus interest earned (\$34.6M) on Taxpayer Relief Act funds drawn are included in revenues, but excluded from the budget result.

⁴ The overall CSI is a calculated number based on a 100-point scale reflecting the composite of 13 drivers of customer satisfaction. FY 1995 numbers are based on an average of May - September, 1995.

⁵ Passenger Miles do not include contract commuter passengers.

⁶ FY98 core revenues exclude interest income earned on Taxpayer Relief Act funds drawn.

⁷ FY93-96 amounts have been restated to conform with subsequent years' amounts.

⁸ Includes active units only.

⁹ Available for Service Units are Active Units less Backshop Units undergoing heavy maintenance less Bad Ordered Units undergoing progressive maintenance and running repairs.

STATISTICAL APPENDIX TO AMTRAK® FY1998 ANNUAL REPORT

Performance Indicator	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Locomotive Units:										
Operating Fleet ¹	312	318	316	336	360	338	313	299	332	345
Available for Service (Year-End Daily Average) ²	84%	84%	86%	83%	84%	85%	88%	88%	88%	88%
Diesel Units (New Deliveries)	8	—	—	20	26	18	10	—	111	35
Electric Units (New Deliveries)	5	—	—	—	—	—	—	—	—	—
Year-End Average Age of Locomotives (years)	11.0	12.0	13.0	13.0	13.2	13.4	13.9	14.4	12.0	12.6
Passenger/Other Train Cars:										
Operating Fleet ¹	1,742	1,863	1,786	1,796	1,853	1,852	1,722	1,730	1,728	1,962
Available for Service (Year-End Daily Average) ²	90%	90%	92%	90%	89%	88%	90%	90%	91%	93%
Cars (New Deliveries)	45	58	—	—	—	64	76	105	104	434
Superliner	45	58	—	—	—	64	72	56	—	—
Viewliner	—	—	—	—	—	—	4	36	10	—
Non-Passenger Roadrailer Vans	—	—	—	—	—	—	—	13	44	234
Non-Passenger Express Cars	—	—	—	—	—	—	—	—	50	200
Year-End Average Age of Cars (years)	—	—	—	—	—	—	—	—	—	—
Passenger Cars	17.5	20.0	21.0	21.5	22.6	22.4	21.8	20.7	19.8	21.1
Non-Passenger Cars	—	—	—	—	—	—	—	—	20.5	13.4

Notes:

¹ Includes federal payments received related to grants and Taxpayer Relief Act funds.

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⁷ FY93-96 amounts have been restated to conform with subsequent years' amounts.

⁸ Includes active units only.

⁹ Available for Service Units are Active Units less Backshop Units undergoing heavy maintenance less Bad Ordered Units undergoing progressive maintenance and running repairs.

CORPORATE OFFICERS

MANAGEMENT COMMITTEE

George D. Warrington President and Chief Executive Officer
Alfred S. Altschul Chief Financial Officer
E.S. Bagley, Jr. Acting President – Northeast Corridor
Joseph M. Bress Vice President – Labor Relations
Sandy Brown Acting Vice President – Government Affairs
Lee Bullock President – Amtrak Intercity
Richard P. Donnelly Vice President – Marketing
Sarah H. Duggin Vice President & General Counsel
Arlene Friner Acting Vice President – Budget & Finance
Lorraine A. Green Vice President – Human Resources
Anne W. Hoey Vice President – Customer Relationships & Revenue
Gilbert O. Mallery President – Amtrak West
Barbara Richardson Chief of Staff and Acting Corporate Secretary
Ronald Scolaro Vice President – Operations

OTHER OFFICERS

Stephanie D. Audette Controller
John M. Carten Assistant Corporate Secretary
Medaris W. Oliveri Assistant Corporate Secretary

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Route 128, MA

Providence, RI

Kingston, RI

Westerly, RI

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New London, CT (Foxwoods Casino)

Old Saybrook, CT

Framingham, MA

Worcester, MA

Springfield, MA

Windsor Locks, CT

Windsor, CT

Hartford, CT

Berlin, CT

Meriden, CT

Waterbury, CT

Via Inland Route